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Housing Comes of Age

Housing Comes of Age

BY

MICHAEL W. STRAUS

AND

TALBOT WEGG

New York

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TO
HAROLD L. ICKES
WHOSE SOCIAL VISION LED PUBLIC HOUSING
FROM THEORY TO FACT IN THE UNITED STATES
THIS VOLUME IS DEDICATED
T.W.
M.W.S.

PUBLISHERS' NOTE

THE authors of *Housing Comes of Age* have participated in the development of the Government's low-rent and slum-clearance housing programme since its inception in 1933. They prepared this book as an adequate record and an intimate account of the manner in which the Public Works Administration Housing Division went about its task and overcame the obstacles inherent in that programme. Drawing upon their own experience and that of the Public Works Administration for material available from no other source, they have arranged it in a comprehensive and popular form so that it might serve others as the task of providing low-cost housing proceeds under the newly established United States Housing Authority which has taken up the work pioneered by the PWA.

CONTENTS

PROLOGUE: THE FIRST HUNDRED YEARS	13
I SEVENTEEN WORDS	33
II EXPERIENCE HARD WON	44
III DESIGN FOR LIVING	55
IV TWELVE HUNDRED ACRES; THREE THOUSAND LOTS	80
V ACTIONS AND REACTIONS	98
VI RELIEF COMES FIRST	120
VII BIDS, BRICKS, AND BRICKBATS	134
VIII A CITY FOR RENT	149
IX TO LIVE AS AMERICANS SHOULD	166
EPILOGUE: HOUSING COMES OF AGE	178
APPENDIX A LIST OF PWA HOUSING PROJECTS	190
APPENDIX B INFORMATION NECESSARY TO INITIATE A PUBLIC HOUSING PROJECT	230
APPENDIX C LEGISLATION	238
1. GEORGE-HEALEY ACT	
2. WAGNER-STEAGALL ACT	

Housing Comes of Age

PROLOGUE

THE FIRST HUNDRED YEARS

NEW AMSTERDAM, 15 DECEMBER 1657:

'The Director General and Council of New Netherland to All, who shall see these presents or hear them read, Greeting!

Know ye, that to prevent the misfortune of conflagrations, the roofs of reeds, the wooden and plastered chimneys have long ago been condemned but nevertheless these orders are obstinately and carelessly neglected by many of the inhabitants. . . . The said Director General and Council have decided it to be necessary, not only to renew their former ordinances, but also to amplify the same and to increase the fines . . . ?

The Records of New Amsterdam

NEW YORK CITY, 13 OCTOBER 1937:

'The mayor then recounted how the (slum) buildings had been torn down and model houses had been built (by his administration) upon the site with sunshine in all the rooms and playgrounds for children . . . '

New York Herald Tribune reporting Republican Candidate La Guardia's Speech in Mayoralty Campaign.

'To the eradication of the slums and the enlargement of the housing program for the city at the lowest possible rentals I pledge myself with all the sincerity and enthusiasm of my heart . . . '

Brooklyn Eagle reporting Democratic Candidate Mahoney's Speech in Mayoralty Campaign.

HERE are the limits of a long journey from the anarchy of license to the order of enlightened society. Probably the greatest part of that journey has been accomplished in the past four years during which the Public Works Administration has been charged with the inauguration of a programme to provide decent, safe, and sanitary dwellings for the under-privileged of our cities. In this programme the United States Government for the first time has recognized a

public responsibility for the elimination of unfit housing and the right of our people to live as Americans should.

In the early days when even the now great cities were no more than trading posts or at best provincial towns, legislators confined their interest in housing to assuring protection against fires and epidemics. In most towns a fire warden was appointed as soon as the Mayor, himself. And city councils, among their first acts, moved to regulate the location of privies, to prohibit the deposition of dead animals in sources of drinking water, and to eliminate fire hazards. Beyond these nominal regulations a man's house was in truth his castle.

Standards within the house itself were not regarded as a matter of public interest. So long as builders satisfied the modest requirements of standards based on an economy primarily agricultural, they could do as they pleased.

The Cholera Epidemic of 1849 in New York, when 5,071 lives were snuffed out, the famous fire of 1871 in Chicago, and similar disasters in many other cities in these years, indicated to the public that the loose restraints of the parochial Era of America no longer provided sufficient insurance against the hazards of the new industrial epoch.

The first hundred years of aggressive action to provide decent housing for low income groups began with the Industrial Revolution, usually dated 1832. The immediate cause of need for such action was found in the tremendous growth of the cities produced by that Revolution.

By 1850, the poorer folk in the hills back of Naples, from the ghettos of Poland, from the farms of East Prussia, and from the slums of Dublin, had heard fantastic tales of the riches to be made overnight in America by a man with a strong back and a willingness to work. Many of them came because of political or social persecution to make a new life in the new country. Usually these immigrants brought their families with them. Others came to seek their fortune 'in a year or two' and then to return to the old country. To provide shelter for these people was a simple matter. Many of them were used either to the most primitive dwellings or to the severe privations of the oppressed. A roof over the head was considered



*EAST SIDE, WEST SIDE: Site of Williamsburg Houses, PWA Project,
New York, prior to demolition.*

sufficient homage to decency. The type of shelter they found ranged from the dark 'dumb-bell' tenements of New York's lower East Side to the ramshackle shanties of Chicago's little Italy, but the quality was uniformly bad. Vast fortunes were made through the exploitation of these foreigners. That 'free enterprise', which is now correctly branded as conscienceless, produced millions of sub-standard dwelling units in thousands of towns and cities.

By the most rigid privations, these people scrimped and saved to buy themselves a home in less depressing neighbourhoods. But as they moved out of the slums, newly arrived immigrants moved in.

The flow was constant until the time of the great war when the virtual shut down on merchant marine operations cut off immigration. The immigration laws of 1924 and subsequent years have put an apparent end to any further wholesale influx. The bonanza days of huge profits from tenement rents are apparently over.

But the bad housing still stands and most of it is still occupied, for in latter years it has become increasingly difficult for slum dwellers, no matter how strong their desire, to escape from their prisons. Even in good times their resources have always been pitifully limited. At the first tremor of depression they are shaken loose from their jobs. Technological improvements, further developed during the 1930-36 depression, have meant that a substantial proportion will never be able to return to their chosen work which is now performed by machines. Unless new industries are developed, more and more of these people may be doomed to permanent idleness. They will have no chance to break away from their drab surroundings.

Vacancies in slum dwellings, which might have been produced by the end of immigration, have to a considerable extent been reduced by internal migration. During the war, industry suffered a paralysing loss of man power. There was not only a continuing need for men in the normal industries but a new and insistent call for men to make shells, ships, and all the other supplies necessary to war. Enlistments crippled thousands of plants. There was no immigration. A natural source of labour was found in the cotton fields of the South. Negroes, accustomed to the pittance they might earn picking cotton, were lured North by the promise of high wages. Peons,

dozing idly in the warm sun of Chihuahua, were awakened to hear tales of a new Eldorado in the North where a man might earn enough in one week to keep him in food for a year.

Of course, when the war was over and the soldiers returned from France, there were not enough jobs to go around. The Negroes and Mexicans, huddled in hovels through which had filtered a half-century procession of foreigners, were stranded. They still live in the hovels, picking up an occasional day's work in the mills or on the docks. And there is still a large residue of Irish, Italians, Russians, Poles, and Slovaks in the slums of the North; those who, for whatever reason, have been unable to find themselves. The slums of Southern cities are peopled with poor whites from the hills and cane brakes—and always Negroes.

These are the people of the slums for whose welfare so many eloquent appeals have been made and so little tangible improvement has been achieved.

By the end of the Civil War sufficient public support had been created to induce the enactment of building codes in many cities. Elaborate building departments were established to enforce these codes which prescribed permissible building standards. The proponents of such legislation pointed accusing fingers at the rookeries and shantytowns of their slums and cried 'Let us have no more of this!' and there was rejoicing in the land that the slums at last were to go.

The history of enforcement of these building codes proves that this jubilation was premature. By standards of today they would be considered lenient, yet the temper of America in the Seventies was for rip-roaring licence. The fever of exploitation ran high and any attempt to reduce it, however, slightly, by regulation, was regarded as unwarranted interference.

Owners of existing shacks made the first move toward virtual nullification when they succeeded in obtaining exemption of their properties on the ground that these codes were *ex post facto* legislation. Their reluctance to spend the money necessary to put their hovels in decent condition can be understood, and support of their attitude was undoubtedly legal within the narrow limits common to judicial interpretation of the day. The effective result,

which can be seen in almost every American city today, was to make the very kennels, whose wretched condition produced the codes, immune to any attempt at regulation. It was as if they had been carefully preserved for the edification of posterity.

But the preservation and continued use of existing slum dwellings was not the only result of the building codes. Where they were properly enforced, the rise in standards automatically created a rise in building costs. And here the effect was to curtail or even to stifle construction of *any* new housing for the lower income groups. From a purely realistic standpoint, it is probably better to make it possible for a slum family to move into a new shack when the old wears out, even if the new is fundamentally no better than the old. But when construction of new shanties is outlawed, the slum family has no alternative.

Had it not been for the venality of politicians, there would have been little new housing built for low-income groups after the first building codes were enacted. If you pass a law subject to exceptions, the act of granting such exceptions has a material value. It can be used for quick profit, or more subtly, as insurance against possible defeat at the polls. The history of municipal politics in America suggests that local statesmen would know how best to manipulate such a useful tool as exceptions to building codes. Analysis of low rent housing in our cities confirms the suggestion. For, between the Civil War and the turn of the century, there were thousands of low-rent dwellings built in flagrant violation of the building codes. It must be said that much of this housing was built despite the efforts of honest building commissioners whose departments were so understaffed as to make adequate inspection impossible. But no small volume was erected in bland disregard of the law of the land.

In the years 1885-1900, housing reform attained a high water mark. In those years the settlement house was established as a charitable institution and the American public first heard of women like Jane Addams and Lillian Wald who moved into slum areas and dedicated their lives to the improvement of living conditions. In those years Jacob Riis told Americans 'how the other half lives'. In those years philanthropists formed societies to build 'model

tenements' designed to show speculative builders, by Christian example, their duty toward the urban poor. In those years new and more stringent building codes were adopted.

The pressure for reform was probably greater in those few years than in all the years since America was discovered. Yet today, forty years later, there are 143,000 shacks in Chicago which antedate the reform era and which even then were rated as sub-standard. In New York more than one-half million families still eke out an existence in 'old-law' tenements whose already-too-long life inspired the pen of Jacob Riis.

The net tangible results of these years of reform are; (1) an improvement in the standards of such housing as *was* built; and (2) a ferment for better housing for workers which has never entirely subsided.

The settlement house idea has been extended to the point where no city of appreciable size is without one. The cheer they have brought into drab lives nearly compensates for the inadequacies of the homes they were planned to complement.

The building codes enacted, if adequately enforced, would have been perhaps enough to guarantee an elimination of slums. They are, on the whole, well-drafted and comprehensive and need only honest enforcement to make them effective.

The handful of model tenements built, particularly in New York, ranks even today with the best housing available to low-income groups. Their financial history shows a return to prove that decency and a reasonable profit are not incompatible.

All this is written in black on the ledger.

In red, we read that practically no new housing for low-income workers resulted from this agitation. In spite of appeals, demonstrations, and raising of standards, private enterprise has built virtually no dwellings for the urban poor in our times.

It is not difficult to make a plausible case to condemn private builders for their indifference to the lot of slum dwellers. We have been prone in latter years to point an accusing finger at them and to lay all the blame at their door. Undoubtedly they must bear a large part of the burden of shame, but they alone are not guilty.

And today the question of who was guilty for sins committed in the day of another generation seems dryly academic.

What has been learned from a half-century of housing reform are these things:

Private builders are not in business for pleasure. As soon as restrictions convince them that there is no satisfactory profit to be made in housing low-income workers they abandon this market.

Regulatory measures may possibly improve the standard of housing which is built, but they seriously curtail the volume, particularly that designed for low-income occupancy. Building codes become increasingly difficult to enforce in direct proportion to the quality of standards which they impose.

Now that building codes and other building ordinances are in effect, it is unlikely that private enterprise will ever again undertake to house the lower income groups in new dwellings, unless (1) innovations in building technique can make significant reductions in cost without sacrificing quality, or (2) some subsidy is offered to bridge the gap between workers' incomes and building costs.

For at least a generation, students of housing have realized that regulation in itself would produce no housing for low-income workers. They have been aware that some positive stimulus was necessary if private enterprise were to reassume responsibility.

The building industry itself, conscious of an enormous market which could be tapped if one only knew how, has been engaged in exhaustive research to determine means of producing the Low-Cost House. Hundreds of new construction systems and building materials have been developed. To date none has been proven to contain the magic formula; first quality + low cost = millions of satisfied customers.

The structure of the industry must be considerably revamped if these new methods and materials are to be adopted. There is a tremendous inert weight of traditional practices which must be removed if the industry is to succeed in its purpose. To say that this is impossible is to ignore the genius for organization which

has produced the American automobile. Yet these methods and materials can only be tested in the crucible of time and it may be many years before they gain general acceptance. One thing seems certain and that is: no revolution in the building industry leading to prefabrication or mass production methods has yet appeared.

If America is to obtain decent housing for low-income workers today, it will probably come in one of the four following ways, or a combination of them:

Increase of workers' incomes without an attendant rise in the cost of living.

Reduction of building standards.

Voluntary reduction of builders' profits.

Governmental aid.

The first of these methods, if feasible, would undoubtedly be the most effective means of providing the necessary housing. However, since this would involve a reorganization of our whole economic system, it is obviously beyond the scope of housing as such.

What about standards? Those of the United States are far more lofty than those of European countries. Not until our times have even the finest mansions of Europe been centrally heated and equipped with electric light and adequate plumbing. These things we regard as essential minima even for the most modest of cottages. Yet the most advanced low-cost housing in Europe is still heated by open fireplaces and common bathing facilities outnumber private. Is it possible that the Low-Cost House could be planned on a more simple scale? Perhaps, but it would be difficult to convince former slum dwellers that they were too humble to enjoy the convenience so widely ballyhooed as essential to the American way of living. Perhaps we have softened. Perhaps the rugged pioneer spirit has been dissipated by our constant search for gadgets to save us from work. Even if this is true we can not turn back the hands of the clock. We are confronted with standards which are accepted and which can never again be denied. The infinitesimal modifications of these standards which might reasonably be effected will not bring the cost of decent housing within the low-income worker's budget. As a complete solution of the problem this method will not serve.

Some sixty years ago one Alfred T. White in Brooklyn, New York, had an idea. It was simple; it consisted in attempting to provide decent homes for labourers at a price they could afford. Mr. White began by purchasing a whole block of vacant land. He rejected the common practice of subdividing into lots 25' x 100' and insisted that the block be developed as a whole. He also specified—to the amazement of builders—that every room should have outside light and every dwelling a private toilet and running water. He planned his project like a square doughnut, with building surrounding an open space in the centre equal to one half the area. This open space was planned for children's play and adults' repose. No dwelling was more than two rooms deep. Mr. White rented these dwellings at a price within labourers' budgets and remitted one month's rent annually to every tenant whose care of his dwelling made repairs unnecessary.

Except for a few refinements of planning and the installation of modern equipment, no present day housing for workers has surpassed Alfred T. White's 'Home Buildings.' His venture was dismissed by builders of the times as sentimentalism gone crazy. Yet for thirty-five years he built more projects based on the same concept and all have been conspicuously successful. His profits, while modest, were never subject to the violent and unpredictable fluctuations of the ordinary speculative builders. He proved conclusively that humanity can pay dividends.

The methods employed by Mr. White could have been used in every city and by every builder. His was no occult secret. And had they been used, the housing problem of low-income groups would today be of minor importance. The tragedy of workers' housing is that so few builders have been able to realize that such methods are not only humane, but *good business*. It is estimated that the total value of all the 'model tenements' ever built in this country does not exceed \$80,000,000, or about 10 per cent of the value of building construction in New York in an average year. And the names of those who have built such housing, Phipps, Rockefeller, Rosenwald, Field, Buhl, reads like the Board of Directors of some philanthropic organization. On the whole 'model housing' has been built by men who could afford to lose money but who preferred,

if necessary, to lose it backing humanity rather than horse races. They voluntarily limited their profits to six per cent or less. They operated on a scale large enough to assure the economies of wholesale buying. They planned their projects to produce the maximum of amenity for tenants compatible with the proposed return on their investment.

It is hardly coincidence that the projects built by these men: Phipps Garden Homes, Paul Lawrence Dunbar Apartments, Michigan Boulevard Garden Apartments, Marshall Field Garden Apartments, and Chatham Village (to mention only the most conspicuous) should be successful. The men, themselves, were practical and they desired that their philanthropy should be practical. The only possible advantage they might have over any builder was their ability to undertake large scale operations, and this was an advantage shared by many whose work was unjustifiably shoddy.

The effective result is much the same in all these so-called philanthropic projects. The dwellings themselves are well planned and equipped and provide homes which infinitely surpass any within the tenants' previous experience. In a surprisingly short time tenants perceive the advantages of group action to obtain social benefits they never knew in their old homes. Tenants' associations, boys' and girls' clubs, handicraft, dramatic, and athletic groups are formed. In some the co-operative spirit has been developed to the point of establishing consumer co-operative stores where all profits are rebated to the customers.

The effect of such treatment on the tenants' morals should be obvious. It tends to decelerate depreciation; it virtually eliminates vandalism or negligence; it completely wipes out vacancies and builds long waiting lists to cut down loss from tenant turnover.

These projects are subject to only one possible criticism—their rents are not low enough to make them available to the truly low-income groups. They have provided first-class housing for a group that could not obtain better than third or fourth class housing in the open market. But on the whole they have not housed the class originally aimed at by their sponsors. It would be unfair to dwell on this point, for it is almost universally true that no decent low-cost housing has ever reached the class whose need was greatest. And

this criticism is not for the achievement which surpasses anything hitherto provided for low-income workers. The people housed in these projects are of the clerical, professional and skilled worker class with average incomes in the \$2,000-\$3,000 bracket.

The experience of these unaided limited dividend projects proved a number of things. First, that the average speculative builder was not interested in emulating these demonstrations. Second, that there were not enough philanthropists to carry such demonstrations into a comprehensive programme for the groups they were able to house. Third, that if any new and decent housing was to be built for workers with incomes appreciably under \$2,000, some additional aid would be necessary.

Housing experts in New York, the laboratory in which all major advances in low-cost housing have been developed, brought these facts to the attention of Governor Alfred E. Smith. The Governor, born and raised on New York's lower East Side, had an all-too-clear memory of the housing conditions which these men sought to wipe out, and no cause was closer to his heart. Largely as a result of his efforts, the first 'housing' law was passed by the State legislature in 1926.

It is important to review the basic provisions of this law, for it is the foundation on which all public aid to low-rent housing in the United States is built.

The law established a State Housing Board of five members whose duty was to stimulate the construction of housing for low-income families in the following manner: A corporation, formed by at least three persons, could undertake housing projects under the jurisdiction of the Board. If such project or projects were limited in rent to \$12.50 per room per month or less, in Manhattan (\$11 elsewhere); if the plans met standards set by the Board; if the corporation agreed to limit dividends to six per cent, then such project or projects were granted 20 years' tax exemption on the value of the buildings constructed (but not the land on which they were built), and the income from money invested, either in mortgage or equity, was exempt from all state taxes (the State of New York imposes a state income tax).

Here for the first time in our history an elected government took

an active, rather than passively regulatory, part to stimulate housing for workers. Remember that this Act was passed in 1926 when the curve of building activity had already started down its dizzy path to the bottomless pit of the early '30s; yet, between 1927 and 1935, fourteen projects costing \$29,021,248.05, and providing homes for nearly 6,000 families, were constructed in New York City alone. Rentals in most of these projects were under the legal limits established by the Board of Housing.

Here for almost the first time in New York's history was decent housing for some slum dwellers. It is true that dwellings were available only to what might be called the aristocracy of the slums; yet to be able to house any slum dwellers at all meant that those who had fought so long and so valiantly were in sight of their objective. An interesting description of the transformation effected in the lives of Lower East Siders is contained in an address made by Mr. Aaron Rabinowitz before President Hoover's Conference on Home Building and Home Ownership in Washington, 1931. Mr. Rabinowitz, speaking of former slum dwellers who had moved into the Van Cortlandt Park project built by the Amalgamated Clothing Workers Union said:

The tenants of these structures came from the Lower East Side. When they came up to view the new buildings, their sense of pride would not permit them to move up with the things they had in the old tenements. It is difficult to explain where the money came from to enable them to move in with new furniture and new fixings. Their whole lives changed. Overnight these people took on new standards. They began to create activities that have preserved their independence as a community. They established a commissary which at the beginning went in for groceries, fruit, meat, milk and laundry. . . . A cooperative venture in the purchase of milk saved 4½ cents per quart on every bottle of milk consumed.

Other accomplishments were also quite extraordinary. There was a demand for a library. The buildings contributed the space, the cooperators-painters did the painting, and the cooperators-electricians wired the room. The woman-cooperators gave a bazaar and raised \$2,700, with which they bought books. . . . It was necessary to have a clubroom and the same performance was repeated. . . .

The occupants of the buildings in The Bronx are about 30 per cent garment workers, about 55 per cent workers in other trades, and about 15 per cent professional and small trades people. The surroundings that they

have created for themselves are beautiful and charming and belie the charge that people and not buildings make slums. They came from quarters that were filthy and vile and unsanitary, not of their own choice. They moved to quarters that are beautiful and clean and have every modern facility, comparable to any buildings anywhere in New York City. They treasure them. They keep their apartments and the courts immaculate. . . .

Since the results of this kind of housing were so obviously satisfactory, it is surprising that no other state followed New York's lead. There was considerable interest and agitation in other States, but it led nowhere until the full force of the depression was felt in 1931. At that time the construction industry was already flat on its back. Residential building had fallen off 83 per cent since 1925. Bricklayers, carpenters, plasterers, and plumbers made up a substantial part of every breadline.

It was already obvious to Congress that private builders could not put these men to work again for some time, and, as a consequence, when the Emergency Relief and Construction Act of 1932 was passed, it contained a provision authorizing the newly created Reconstruction Finance Corporation to make loans to limited dividend companies, subject to state or municipal regulation, for the construction of low-cost housing projects.

Although New York State was alone able to qualify for such loans when the Act was passed, housers all over the country hailed it with rejoicing. For this (with the exception of the period, 1917-19, when homes were built for munitions and other war workers) was the first recognition by the United States Government that housing for low-income workers was a national problem requiring some Federal aid. To be sure, housing was deemed a vehicle to reach a destination, and not the destination itself. Relief of unemployment, and not the provision of housing, was the objective.

This oblique approach toward housing has characterized most subsequent Federal legislation and the point of view of most conservatives who have supported the movement, and is one of the major reasons why the United States has as yet no properly co-ordinated and comprehensive housing programme to compare with that, for instance, of England.

The number of building trades workers who would be benefited

by such a programme is infinitesimal compared to the number of slum mothers, fathers, and children, whose whole lives would thereby be transformed. And yet, because legislation in the public welfare is still suspect to a nation absorbed in the worship of profits, such legislation, to be acceptable, usually is disguised. Even slum clearance has not been sold on the basis of providing decent homes for slum dwellers, but on that of tearing down shacks and tenements which are offensive to the eyes and nostrils of civic leaders. As a result of this ostrich-like approach to the problem, it is virtually impossible to formulate any complete programme which recognizes that the purpose of a housing programme is not the relief of unemployment in the building trades, nor the demolition of sub-standard housing, nor the stabilization of real estate values, nor the reduction of crime—the purpose is simply the provision of housing. In any proper housing programme these benefits will be produced automatically, taking their proper place as secondary objectives. Until we put them in that place and make the provision of housing the paramount issue, we can never have an effective programme.

The effect of a few words in the Emergency Relief and Construction Act of 1932 was to make housers all over the country rush to their state capitals, copies of the New York State Housing Act in their hands. There they worked feverishly with their representatives to draft similar bills adapted to local conditions. Their immediate purpose, of course, was to enact legislation which would make corporations in their States eligible to receive loans from the Reconstruction Finance Corporation. On their heels came spokesmen of all interests which had, or supposed they had, reason to oppose such legislation. The opposition in almost every state was strong enough to emasculate the bills but the housers accepted this butchery on the theory that any housing bill was better than none.

The most controversial feature of these bills was tax exemption.

That, of course, was the keystone of the New York Act. Without it, limited dividend corporations had nothing to gain and everything to lose in submitting to the firm regulation of a State Housing Board. Yet of 13 laws passed in 1932-33 in Arkansas, California, Delaware, Florida, Illinois, Kansas, Kentucky, Massachusetts, New

Jersey, North Carolina, Ohio, South Carolina, and Virginia, not one granted tax exemption in any form.

The proponents of this legislation were so firmly convinced that the Reconstruction Finance Corporation would act in a big way on its permission to make housing loans that they submitted to the elimination of the one feature which could possibly make the laws operative when or if the R.F.C. ceased to make such loans. With the beautiful clarity of hindsight we can now regret this hasty action. For the sum total of housing loans made by the R.F.C. was one—to Knickerbocker Village in New York City, which was under the jurisdiction of the already existing State Board of Housing.

The net result of this legislation was the creation of 11 regulatory Boards or Commissions which soon discovered they had nothing to regulate. In the light of subsequent developments in governmental housing policy it is doubtful whether these boards will ever function in the manner of the New York Board.

To their credit it must be said that many of them, once the pattern of their embarrassing position had been made clear, cut their cloth to fit. Most of them had the power to make housing surveys, some even were authorized to demolish unfit dwellings. They began to find out, with the limited means at their disposal, just what were the housing conditions in their states, in particular the extent and location of slums and blighted areas. This indispensable work was the foundation for subsequent and more intensive surveys which are gradually bringing into the open the vast amount of factual information necessary to plan any comprehensive solution of the housing problem. In addition, the mere existence of such boards, even if they had no power, constituted a public recognition of need for governmental aid.

However, the fact that no corporations privately financed, and only one financed by a government loan, were organized under this combination of federal and state legislation soon indicated that the policy established was not sufficiently attractive to produce either housing or employment.

The social evolution described in this introduction has moved in fits and starts, yet its passage from a system of *laissez faire* (or devil take the hindmost) to a state paternalism has been inevitable.

Private interests which have bitterly opposed each step are inclined to regard the gradual assumption of responsibility by government as an isolated instance of interference. They do not see the progression as only one part of a world-wide movement transcending the will of individuals or even governments. This so-called 'invasion of private rights' would never have come about unless there was both a need and demand.

There can no longer be any question of the need for the improvement of housing conditions for the underprivileged. Evidence of that need is one of the most striking and shocking characteristics of every community in the United States. One need not believe that the only slums are in New York or Chicago. They exist no less malignantly in the smaller manufacturing towns, in villages, and in every countryside.

The toll exacted annually by these slums is measured in the waste of thousands of lives and millions of dollars. No month passes that one cannot read in the papers of tenement fires in which the innocent children of slum dwellers are charred, or of building collapses in which lives are snuffed out under an avalanche of brick and timber.

It is not through mere coincidence that the highest ratio of disease is found precisely in those urban areas which boast the worst housing. The constant recurrence of these phenomena has been noted statistically in a number of cities. In one year, in New York City, 81 slum dwellers were burned to death in tenement fires which would not have been started in properly built dwellings. In the same city, a five-year study showed that three out of four babies in tenement districts were afflicted with rickets, a disease virtually unknown in better areas.

A sample from Philadelphia: one tenement house in the downtown slums, housing 33 families, produced 112 cases of illness in four years that required care of city health officials. The tuberculosis rate in this district was nearly twice that of the city as a whole. Detroit tells the same story. The tuberculosis rate in her slums is six and one-half times that for the whole city. In Cleveland the ratio is nearer ten to one. Indices of pneumonia, child mortality,



Fire guts a New York Tenement

Constructing fireproof partitions, Williamsburg Houses



diphtheria, and typhoid fever march in the same macabre procession with the slums always far in the lead.

Nor do the slums lead in prevalence of disease alone. The children of these areas are early exposed to the virus of crime and a shockingly high percentage is infected. In one year in Chicago, 26.6 per cent of all adolescent boys from a slum district passed through the juvenile police probation office. The well-known Wickersham Report on Crime, in 1931, noted that, in Philadelphia, 46 per cent of delinquents came from the central slum areas; in Cleveland, the rate is 47.4 per cent; in Richmond the highest rate is found in the same respective areas.

In this monotonous relation of disease and delinquency to environment, it is impossible to escape the conclusion that environment has some causal effect. The next step in logical thinking is that, if the environment were changed, the rates of disease and delinquency might be lowered. It must seem obvious that the hazard of contracting disease is greater in homes deficient in light, ventilation, and private sanitary conveniences than in homes adequately supplied with these essentials.

When Wellington said 'The Battle of Waterloo was won on the playing fields of Eton' he implied that the character there developed in English youth matured into the leadership necessary to win a war. To paraphrase Wellington, only gangster battles have been won on the playing fields of the 'Monkey's Nests' and 'Whisky Islands,' for these playing fields are the stinking alleys and littered yards of our slums.

It is reasonable to suppose that children whose leisure time is spent in the healthy environment of proper playgrounds will be immunized against most of the temptations of the slum. The tremendous success of the Boys' Club movement tends to support this supposition.

If rehabilitation of lives that are wrecked both physically and morally were the only end to be achieved by clearing slums and rehousing their population, the cost would be fully justified. But there are other and more 'practical' results to slum clearance.

For many years students of municipal finance have suspected that

the slums did not pay their way. Aware that the taxpayers of most cities were being assessed heavily to maintain the slums in this sorry state, these students had no means to measure the amount of that subsidy. Not until the recent depression, when thousands of unemployed clerks were available to aid in the extensive survey work necessary, has it been possible to determine the drag on municipal finances created by the slums.

Now there are balance sheets from Chicago, Cleveland, and Birmingham, to mention only a few, that tell in irrefutable figures, just how much it costs the taxpayers to support municipal decay in the style to which it is accustomed.

Chicago

In 1930, the city paid out \$3,200,000 to provide ordinary services (policing and fire protection, schools, street maintenance, garbage and trash collection) for one square mile in a moderately blighted residential area. Taxes levied on this area amounted only to \$1,191,352. In other words the city expected to receive only one dollar in return for every \$2.50 paid into the area. Yet, three years after these taxes were due, they were more than 50 per cent delinquent. Thus the actual ratio of income to outlay was 1 to $5\frac{1}{4}$.

Cleveland

In 1934, the city paid out \$1,356,988 to service its major slum area. Taxes assessed (if collected) would return to the city \$225,035. At best the city stood to lose out on a basis of one dollar paid in for six dollars paid out. But private charities poured \$490,836 into the area in addition to city services. And in spite of this, accrued delinquency amounted to \$369,248.

Birmingham

A slightly different type of report was made in 1936 by the Jefferson County Board of Health. In a city-wide survey 22 blighted areas were discovered. The report states that the city sustained an annual net loss of \$1,462,102 for operations of the Fire Department, law enforcement, Garbage Department, De-

linquency Court, Health Department, and hospitalization in these areas. It further states that these areas with 12 per cent of the city population consume 40 per cent of the city's budget.

Identical results have been found in every such survey made to date. It is unnecessary to marshal more evidence. Slums are an expensive luxury.

Now it is dangerously easy to advance the argument that, since slums in their present state are unnecessarily expensive, slum clearance will wipe out municipal deficits. No proof has ever been offered to substantiate this argument but one may argue no less effectively in favour of slum clearance and still remain on firm ground. For, even if no appreciable cash savings can be shown, the subsidy we now pay, and apparently must continue to pay, may be put to far better use than maintenance of the disgraceful status quo. Through the rehabilitation of slum areas it can rebuild bodies wasted by disease; it can revive hope in spirits weighed down by despair; it can provide a school for citizenship where once was only the spawning ground of crime. These things can be done and at no greater cost than we now pay.

This is the nature of the problem. What is its extent?

Within the past three years, nation-wide housing surveys have been published by the United States Departments of Commerce and Agriculture. In summary these surveys report the following:

Urban Housing

One out of six dwellings is unsafe or unfit for habitation
One out of six dwellings is overcrowded

Rural Housing

One out of two dwellings needs major repairs or is unfit for habitation
One out of twenty dwellings meets the 'American Standard'

The areas covered by these surveys are sufficiently diversified and the sampling was sufficiently extensive to be representative of the country as a whole.

Here then is American low-cost housing after one hundred years of reform and regulation of private industry. It is obvious that the inadequate housing noted is in the so-called low-cost category. What can we find to balance 10,000,00 (more or less) homes in the above classification? To the credit of housing reform are perhaps 30,000 'model' homes built in the past century for low-income families. The balance seems to weigh against the possibility that private enterprise will attempt to handle the job of adequately housing the workers of America.

At President Hoover's Conference on Home Building and Home Ownership in 1931 the consensus of 3,000 persons with experience in one or another field of housing was that the position of the Federal government should be as follows:

Unless this problem can be met by private enterprise, there should be public participation, at least to the extent of the exercise of the power of eminent domain. If the interest of business groups cannot be aroused to the point where they will work out a satisfactory solution of these problems through adequate measures for equity financing and large-scale operations, a further exercise of some form of governmental powers may be necessary in order to prevent these slums from resulting in serious detriment to the health and character of our citizens.

By the middle of 1933 it seemed evident that private builders could not be aroused to the point where they would work out a 'satisfactory solution.' It seemed at last evident that, if any housing on a large scale were ever to be provided, the government would be obliged to take an active part.

HOUSING COMES OF AGE

CHAPTER I

SEVENTEEN WORDS

The Administrator, under the direction of the President, shall include among other things (in the Public Works Program) the following: . . . (d) *construction, reconstruction, alteration or repair under public regulation or control of low-rent housing and slum clearance projects.* . . .

—National Industrial Recovery Act of 1933, Title II, Sec. 202

THESE last seventeen words contain the kernel of an idea which has bloomed into America's first public housing programme. In monetary value it has been only a tiny part of the \$3,300,000,000 Public Works programme authorized by the first Recovery Act. The debate in Congress on the bill discloses virtually no interest in this provision. In fact, research in the records has not revealed the source of these seventeen momentous words. Senators and Congressmen were more concerned with the proposed organization of the National Recovery Administration and a proper distribution of post offices and public works of more familiar types. The Federal housing programme started with a blank page and no given facts.

Thus, almost unnoticed, on 16 June 1933, a policy of public housing was born. On that day the President, by Executive Order created a Special Board of Public Works, composed largely of cabinet officers under the chairmanship of the Secretary of the Interior, with instructions to report within twenty days 'on all public works projects which have heretofore been submitted or shall hereafter be submitted.'

The Special Board quickly perceived the importance and the difficulties inherent in the housing provision. At one of the early meetings, Assistant Secretary of the Treasury Robert said:

This housing proposition is the most dangerous thing we have to confront . . . People are expecting to make a great deal out of this housing program. It is the big thing they are looking forward to.

Recognizing the imperative need of a man experienced in housing and with the proper social point of view, the Board sought the advice of outstanding technicians and public administrators. Their unanimous recommendation was Robert D. Kohn, an architect from New York.

In its discussions of housing the Board recognized the need for an effective evangelist. 'There are certain things,' said Madam Secretary of Labor, 'the local people will not think of themselves. This central administration ought to put it into their heads that it is a good thing to do. For instance, they will not think of housing . . .'

At that time (22 June 1933), however, the Public Works Administration was still in embryo and had no permanent administrator. On 8 July, the Secretary of the Interior, the Honorable Harold L. Ickes, was named Federal Emergency Administrator of Public Works and PWA went to work.

Among others, the Administrator created a semi-autonomous Housing Division. Its policies, on the whole, conformed to those of the PWA. Its primary purpose was to relieve unemployment through the construction of socially useful housing.

It was authorized to make two kinds of loans, public and private. To legally constituted public bodies authorized to undertake housing programmes, it could make capital grants up to 30 per cent of the cost of a project and loans up to 70 per cent at four per cent interest. To private corporations under public control or regulation, it could make loans at four per cent, but no grants. The period of amortization of such loans was fixed for most PWA projects at 30 years. But for housing, varying periods of amortization were proposed, depending on the construction materials, and ranging from 25 years on frame buildings to 35 years on fireproof developments.

The provisions relating to loans and grants to public bodies, in 1933, were purely academic since no local public body with proper authority to build housing existed in the United States. The Housing Division was thus forced to confine its early operations to loans to private corporations under public control or regulation.

In the files of the R.F.C. were applications for a number of housing projects already recommended. It was believed, since the



LIMITED DIVIDEND HOUSING: *Carl Mackley Houses, Philadelphia, utilizes roofs for children's play areas safe from traffic hazards.*

Recovery Act provided for the transfer of such projects from the R.F.C., that these projects could form a nucleus for the PWA housing programme.

These projects, such as Hillside Homes (New York City) and Carl Mackley Houses (Philadelphia) had been developed by sponsors and architects thoroughly familiar with the philosophy of those who had been called on to administer the housing programme. But they were rare exceptions to the general rule that prevailed then and more acutely in subsequent months—that sponsors had no conception of the purpose of the housing programme and no capacity to visualize it.

The terms ‘slum clearance’, ‘low-cost’, and ‘low-rent housing’ are not subject to precise definition. Their connotation must be conditioned by a point of view. And whereas ‘low-cost housing’ might be a jerry-built skyscraper apartment hotel to rent at \$20 per room per month, it certainly would not fulfil the objectives of the Recovery Act or the desires of the Housing Division.

It would have been obviously impossible to reduce the definition to a compilation of figures. One could not say without qualification that rents were to be limited to so many dollars per room per month; building costs to so many dollars per dwelling; height of buildings to so many stories. Conditions varied too much throughout the country and what might be an acceptable low-cost housing project in Dallas probably would not come near qualifying in New York.

Two problems confronted the Housing Division, both requiring a man able to tour the country to preach the gospel of housing. The first was to explain to civic groups, realtors, lending institutions and architects, just what type of private project reconciled with local conditions would be acceptable to the Housing Division; and the second was to foster State legislation to authorize public housing authorities which might undertake their own projects.

To undertake this educational work Housing Division representatives were sent out on an exhaustive series of barnstorming trips which carried them, in the course of a year, into nearly every major city and most States in the Union. To thousands they pleaded the cause of the complete community.

'Housing,' they said, 'should not be regarded as an aggregation of houses but as complete neighborhoods, planned at one time and carried out to the mutual benefit of every neighbor. Homes should be so located as to have adequate sun and air and plenty of protected play space for children. They should be isolated from and yet quickly available to transportation. They should be within easy and protected walking distance of schools and shops. Buildings should be low and well built and supplied with at least the minimum of mechanical equipment. These communities must be regarded as long term investments with wise and kindly management and not as speculative developments whose sponsors care only for quick sale and getting out from under.'

It is evident today that a large part of the present lay interest in housing in the cities is attributable to the efforts of these ambassadors. There is no question today of the intensity of that interest, but the results produced in the summer and fall of 1933 were, to put it mildly, discouraging. While these men were in the field, a small technical staff in Washington was poring, far into the night, over hundreds of applications for projects.

As to policy, it had been established that the Housing Division in the case of private corporations would lend up to 85 per cent of the cost of a project. Sponsors were required to form a corporation with dividends limited to six per cent, and profits in excess of that amount were to be rebated in the form of rent reductions. Land would be accepted as part of the 15 per cent equity, but it was required that sponsors invest some cash in order to assure a continuing interest. Projects proposing the speculative sale of individual houses were to be ineligible.

In 1933, the 'home building' market was flat on its back. Promoters who had land could find no money for building loans. Land was about all the promoters could scrape together as evidence of solvency. And if, as usually happened, a true value of land did not amount to 15 per cent, the boys sharpened their pencils and marked up the price of their land. The 'cash' equity they produced out of fees to be paid by the Government to architects, engineers, and contractors. The devices employed in the attempt to create value where none existed or could exist were ingenious—and disheartening.

By October of 1933, it was obvious that some shift in policy would be necessary if the primary purpose of the housing pro-

gramme, relief of unemployment, were to be made effective. No more than twenty projects had passed the test of critical analysis. These were sponsored by reputable and intelligent men, were well designed, and were easily justified as housing. But even with these projects the problems of equity, of land value, or land acquisition made their development difficult.

For instance, one tentatively approved, had the land entered at a value of \$500,000. The value was backed up by an appraisal made by highly accredited members of the American Institute of Real Estate Appraisers. In no attempt to question the honesty of this appraisal but merely as a check on judgment, the Housing Division had a second appraisal made, also by a member of the Institute. The second appraiser believed the land was worth no more than \$110,000. Subsequently five more appraisals were made by qualified experts, ranging from the above mentioned low to a new high of \$700,000. Under such circumstances it was, to say the least, difficult to establish a fair price.

Several meritorious slum clearance projects were proposed. Here the question of assembling land became the major problem. In most instances slum properties are held in small parcels and assemblage involves dealing with dozens, perhaps hundreds, of owners. Until the land is completely acquired no one can be sure not merely of the price but even of its acquirability. Unless the purchasing agent has the right of eminent domain, this assemblage becomes a gamble in which the cards are stacked against him. Moreover, the price of most slum property, because of its location, is so high that the land could not be used for low-cost housing on the terms offered to private corporations.

However, the average applicant proposed a small development on vacant land. The employment involved was inconsiderable and social significance was limited to the financial benefit of the sponsor. Excerpts from the examiner's report on one project picked at random give the picture of a majority of applications.

Location:

Site is on Oak Lawn Avenue between Old Bedford Road and Pepper Ridge Road, approximately 2.4 miles North from city centre and approximately .2 mile from the city boundary. Map

provided does not show transportation or school and store facilities. Applicant states two bus lines are nearby.

Employment:

Applicant states approximately 25 men would be employed 50 hours per week for 20 weeks.

Nature of Project:

Applicant proposes to build 5 single family detached frame dwellings grouped 5 to the acre, of 1 and 1½ stories, with 5 rooms and garage, and no basement.

Comments:

Suburban real estate development too small to exert much influence on community or employment conditions. Does not appear as type of project of benefit particularly for families of low-income now living in. . . .

Recommendation:

The project should be denied on the following grounds:

1. The project is too small to have any meaning.
2. Applicant should be advised that this is not a type of project on which the Government will make a loan.

The monotony of making such reports was occasionally relieved by absurd or fantastic applications. A group of musicians sought a loan to build themselves a skyscraper club house. One persistent gentleman wanted the Government to lend him money for, (a) the construction of a factory in which he could make his patented cement block; and (b) the construction of from 1000 to 2000 houses (either amount was agreeable to him) in which the basic material would be the above cement block. What might happen to the Government loan or the houses once they were built, was a mere detail with which he, burning with creative genius, could not be bothered. When his application was rejected he was outraged and threatened reprisals.

On the whole, however, applications conformed to the type described in the Examiner's report above. The major weakness was an almost complete absence of real equity.

The total volume of limited dividend project applications was 533 with an estimated cost of \$1,006,000,000. In the end, a total of seven were actually built. Of the thirteen others recommended

for allotment, none could, in the final analysis, qualify for loan agreements. Certainly the record is not satisfactory. There is no question that a vast majority of the rejected applications were indefensible. Possibly half were based on optimistic attempts to revive the sub-division game of the 1920's. It has been charged at times that the promoters were corrupt. Probably a more honest evaluation would be to say that they were accustomed to operate in a field whose ethics were handed down from the horsetraders of the '70s and that they played the game according to existing rules. Possibly a quarter of the rejected applications were unscrupulous attempts to unload land or building materials on a benevolent Uncle Sam or to obtain a maximum of money for a minimum of service. The remainder was about evenly divided between fantastic schemes and meritorious projects that almost made the grade.

Those who read between the lines must have guessed that the results of this programme would cause dissatisfaction throughout the country. Newspaper editorials hammered the Division unmercifully for its failure to provide employment. A good many applicants—particularly those who received tentative allotments only to have them rescinded ultimately—were incensed. They claimed to be victims, on the one hand, of arbitrary and prejudiced decisions and, on the other, of no capacity for decision at all.

Sifting these complaints, Administrator Ickes was obliged to recognize in them considerable justice. He was obliged to admit two weaknesses—one, of policy, and the other, of administration.

The role assumed (of necessity) by the Director meant that a large part of the time there was no one in the Washington office authorized—or, at any rate, willing—to make final decisions. The men brought into the Division were largely technical experts who had devoted years to studying the technical aspects of low-cost housing. They were undoubtedly the outstanding housing technicians in the country; yet this concentration on a subject which, until July 1933, was largely academic, meant that they lacked the experience necessary to shove through an emergency programme of this size. Some were also idealists, who, having fought for the cause for so many years, could not bring themselves to approve the compromises necessary in a practical world. They looked forward

with unshakeable faith to the Perfect Project (which, of course, was never achieved) and were loathe to approve anything less.

The experience with limited dividend projects had been most unsatisfactory. The fantastic schemes and those which sought to take the Government for a ride have already been discussed. Let us now look at the twenty applications which, for a while, constituted the Housing Division's programme.

As a rule these applications were submitted by reputable persons who were 'going to form a limited dividend corporation when, as, and if' they obtained a loan. Of the twenty, six came from states which had no state laws under which the corporations could qualify according to the Recovery Act. This defect made the working out of a loan contract both difficult and tenuous. Even though the remaining fourteen came from states with proper regulatory legislation, formation of a responsible and satisfactory corporation was a major stumbling block.

In most cases the only real equity which the sponsors had was the land. A number of the projects contemplated slum clearance and not even the land for these was in clear possession of the sponsors. To assemble it would require optioning and clearing of titles, both of which are, under private auspices, interminable and uncertain procedures.

But the major problem in every limited dividend application was one of cost: ability to achieve suitable rents through guaranteed building and operating cost, and value of land. If the sponsors had clear title to the land, they naturally listed its value as optimistically as possible. The tremendous spread possible in the opinion of value made by supposedly competent and honest appraisers has already been mentioned. Any reduction in land value imposed by the Housing Division naturally reduced the equity offered by sponsors and in almost every case dropped the proposed equity below the 15 per cent of total cost required. Yet, in a majority of cases, such reductions in land value appeared to be fair after comparison with actual price or adjusted tax assessed value of neighbouring property. Some concessions to the 15 per cent equity requirements were made if the project seemed on other grounds to possess sufficient merit. Yet it is safe to say that optimistic or actually dishonest

valuation of land more than any other single factor, killed the limited dividend programme. As early as 10 August 1933, the Administrator foresaw the evils of such practice and warned that 'no consideration would be given to housing projects in which investigation disclosed evidence that the land required was being boosted in price on prospects of governmental loans for housing construction.' This policy was rigidly observed throughout a programme in which nearly \$23,000,000 worth of property was acquired. The problems of land acquisition in connection with federal projects will be discussed later.

Construction and operating estimates created difficulties which disqualified many projects. The sponsors set a rent which they believed reasonable for the neighbourhood and class of tenants to be housed. The Housing Division was of course obliged to check the authenticity of rent figures first. Because so few corporations had been able to make factual surveys, and since almost no satisfactory data existed, the validity of these rental estimates was necessarily a matter of opinion.

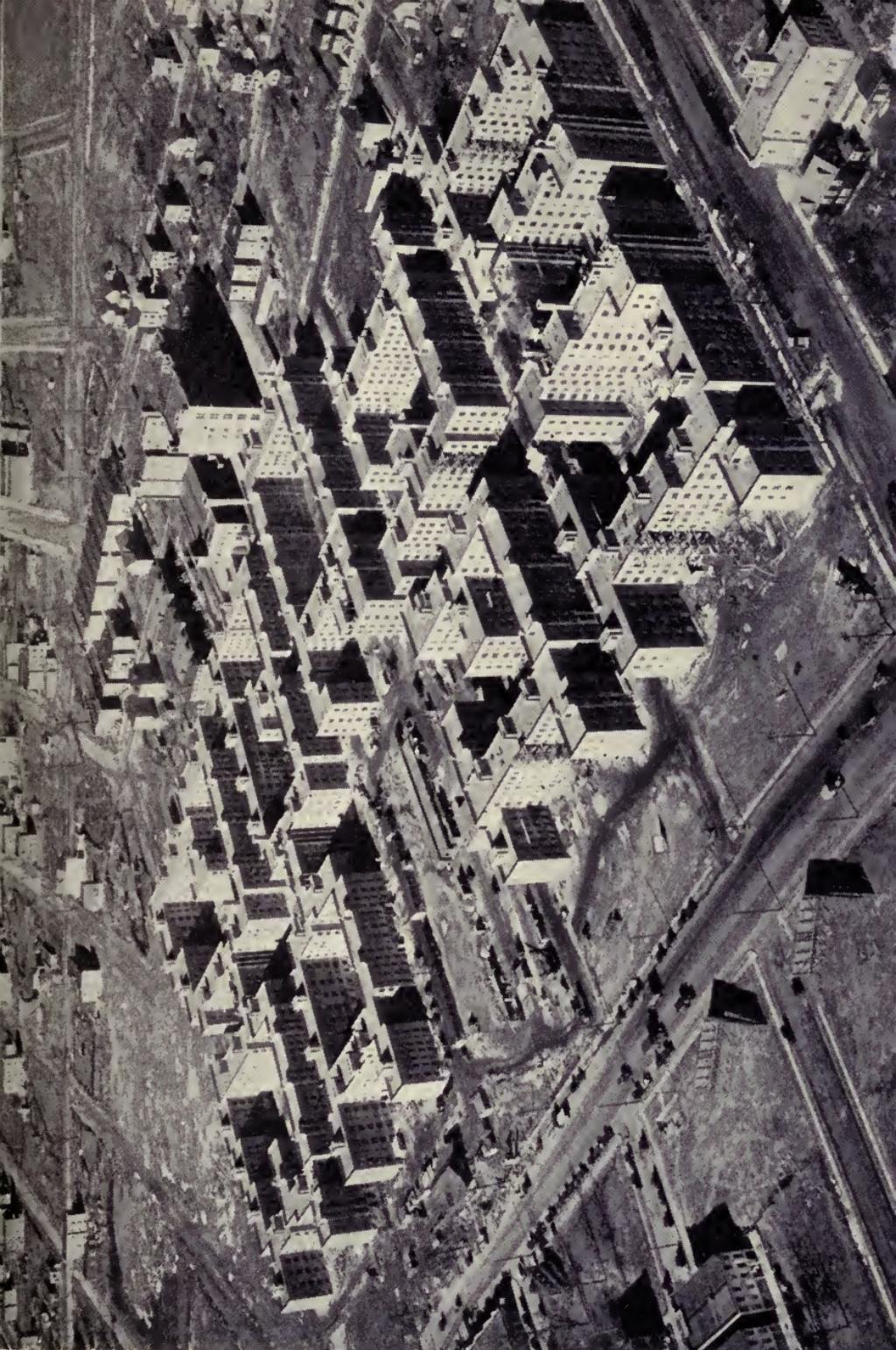
In some cases the Housing Division considered the rents proposed too high for the group to be housed. One may wonder why such applications were not rejected immediately. The answer is twofold. First, the Division, attempting to spare the sponsors as much expense as possible before making commitments, called, in the first instance, for only skeleton outlines of a proposal. Not until negotiations for a loan agreement were begun did it feel justified in demanding a detailed and exhaustive statement. In these detailed statements many facts were revealed which did not jibe with the hopeful picture of the preliminary application. Second, the Housing Division personnel for nearly a year was so swamped with applications that it was impossible for staff members to make a field inspection of a project until it received preliminary approval.

A satisfactory rent schedule was no guarantee of a satisfactory project, for construction and operating costs must be checked. Frequently contractors made informal bids on which construction estimates were based. The bids, which of course were not binding, were founded on incomplete sketch drawings. After they had seen completed plans and specifications, contractors almost invariably

raised their estimates and even when they had made, say in August, 1933, formal bids on complete plans, the lapse of time before a contract was drawn had brought a rise in material and labour prices. These increases of course nullified the original rent schedules and made necessary entirely new financial set-ups.

As if there were not sufficient impediments to the approval of projects, there remained the question of operating costs. Outside of the projects under the New York State Board of Housing and a few isolated examples, there were no continuing records in the country of how much per room it would cost to operate the type of housing proposed. Obviously the experience of a project in Manhattan could not be applied with any close relation to a project in a small town in Virginia. Applicants were forced to guess how much it would cost and in most cases their guesses were hopefully low. Although the New York estimates indicated an operating cost per room, per year (heat, light, water included) of \$40, an applicant from Indiana believed that a slum clearance project in a large city in that state could supply the same service at \$23.10 per room. There might be some differential on wages and taxes but the Housing Division refused to believe that it could amount to 40 per cent and raised the estimate considerably. The effect, in this instance, was to produce an operating statement which, in order to balance, either would require a rise in rents so high as to disqualify the project, or else would wipe out the sponsor's equity.

Because sponsors could not satisfy these requirements, the Administrator finally reduced the number of approved limited dividend projects from 20 to 7, constructed and now in operation. These projects, Boulevard Gardens and Hillside Homes in New York; Euclid Housing Corporation, Euclid, Ohio; Carl Mackley Houses, Philadelphia; Neighbourhood Gardens, St. Louis; Alta Vista Housing Corporation, Alta Vista, Virginia; and Boylan, Raleigh, North Carolina; were submitted to exhaustive microscopic examination. Their subsequent success has proved the worth of such careful scrutiny. No faintest suspicion of skull-duggery attaches to any and they are, in their various communities,



LIMITED DIVIDEND HOUSING: *Hillside Homes, New York*, sponsored by Mr. Nathan Straus, Administrator of the U. S. Housing Authority, illustrates the possibility of co-operation between private and public enterprise.

models of the happy combination of public and private enterprise which can be, but alas seldom is, effected.

As a result of these weaknesses the Administrator determined, early in October 1933, to inaugurate a more forceful policy and to guarantee a more aggressive administration of that policy.

CHAPTER II

EXPERIENCE HARD WON

ON 29 October 1933 the press of the United States carried announcements of which the following from the *New York Times* is typical:

WASHINGTON, Oct. 28.—Incorporation of a Public Works Emergency Housing Corporation to build low-cost apartment houses as slum clearance projects throughout the country was announced today by Secretary Ickes . . .

The corporation has broad powers to engage in a general construction business, to perform engineering and architectural work and to conduct and carry on the business of builders and contractors . . .

Outlining policy, Mr. Ickes said: 'The formation of this corporation is the outgrowth of our recent experiences in the PWA in attempting to increase building labor employment in the field of low-cost housing. Our experience of the last three months indicates clearly that we may not depend upon private enterprise or limited dividend corporations to undertake comprehensive low-cost housing and slum clearance projects.

'The future financial stability of many of our urban centers depends upon the prompt reclamation of their slum areas . . . Relatively few of our cities realize that bad housing has a direct effect on their revenues. To meet this situation more is required than isolated action on the part of individuals. Movements to better conditions must be launched by a body of citizens who realize that action must eventually be guided by a State, county or municipal authority.

'The efforts of the Administrator and the Corporation will be to encourage the creation of such authorities. Where the municipality lacks or cannot immediately obtain the necessary charter powers it is proposed to proceed along one or the other of the following courses:

'(1)—Through some local group the immediate study of the local situation, including the necessary investigation of available low-cost slum land, will be encouraged. Therefore, the acquisition of the necessary land would be by private contract if possible, otherwise by eminent domain, which power is derived from the Recovery Act.

'The success of this program depends upon the acquisition of low-cost land in continuous blocks which will involve the destruction of slums. A single clearance and rehousing operation may involve the acquisition of

other low-cost land than that cleared so as to reduce further land cost per unit and better distribution of the new low-cost housing in respect to industrial improvement . . .

'It is not proposed to standardize improvements; they will be designed to meet needs of each particular city. If apartments be used, they will be confined to low-type structures . . .

'(2)—To make available to the State Legislatures information on which they may act to create housing authorities in cities or counties so that such authorities may cooperate with the government or may act as its agent in the management of the properties when completed.

'(3)—To develop a procedure which will aid a city to work out a long-term plan on which to continue the process which the Federal Government has started. Eventually each State or large metropolitan area should have an agency empowered to engage in the rehabilitation of low-cost residence areas. Through such a body the Federal Government could continue its help and eventually, in a lesser and lesser degree, aid what must become a local function of government.

'This scheme of Federal aid should produce housing at rentals which have never before been attained. The assignment of these accommodations to families of low income must be closely guarded by the organization of agencies in a city to control their use so that those for whom they are built will really benefit. The housing thus provided will not be competitive with existing housing of good character.'

In essence Administrator Ickes was saying, 'We shall no longer sit back and wait for the business to come in to us. From here on we propose to go out and develop it ourselves.' He determined to keep the functions of the Housing Division and those of the Public Works Emergency Housing Corporation as clearly separated as possible. The Housing Division was to continue its work of examining and passing on the applications of limited dividend corporations and was to furnish technical assistance to the Public Works Emergency Housing Corporation. But the latter was to be independent both in personnel and in action from the Housing Division. It was to be the spearhead of a new and smashing attack on the slums of our cities.

The President of the Corporation was the Administrator of Public Works, Harold L. Ickes, and the Board of Directors included the Director of Housing, the Secretary of Labor, Assistant Secretary of Agriculture, Rexford Guy Tugwell, and Deputy Administrator of Public Works, Colonel Henry M. Waite. On

29 November, President Roosevelt issued an Executive Order which established the Public Works Emergency Housing Corporation as the agency through which federal housing projects were to be constructed, and allotted to it \$100,000,000 for that purpose.

Thus, Government housing entered its present phase. Each step forward had been demonstrated to be necessary by the failure of (a) restriction of and (b) encouragement to, private initiative.

The inauguration of direct governmental construction was assailed on two fronts. First came those who chanted: 'We told you so. We knew you'd have to come to this. If you'd taken our advice you wouldn't have wasted four months.' The answer to these critics was easy. The Administrator would have been condemned, and rightly, as both radical and unfair had he launched the programme in this manner. He was obliged, by every American tradition, to give private enterprise the first crack at the job to be done. Not until private builders had amply proven their incapacity could he justifiably try some other means.

And even then the door was not shut to private undertakings. On 10 December 1933, Administrator Ickes stated:

The Public Works Administration will continue to loan on slum clearance operations and low-cost housing projects sponsored by limited dividend corporations . . . It is the intention of the Public Works Administration to take the initiative in slum clearance and low-cost housing projects in the interest of unemployment relief and recovery, only in cases where local agencies are unable to do so or unwilling to act promptly.

A more widespread and persistent attack emanated at this time from those who resented what they called 'Government interference and competition with private enterprise.' Sporadic sniping at first, it developed with the Federal programme until, in 1935 and 1936, it reached the proportions of a major bombardment. On the very date of incorporation of the Public Works Emergency Housing Corporation, it was publicly announced as a cardinal policy:

It is not the purpose of the Government to invade the field of construction where private capital can operate satisfactorily. The work of the Public Works Emergency Housing Corporation, is to be directed to slum clearance projects and the production of new housing for income groups for which private initiative has never provided . . . In addition to stimulat-

ing industrial activity and creating employment, it will provide new and modern living accommodations for a class of people who have never before been able to enjoy them, simply because private capital could not and cannot now provide them at prices within their ability to pay.

This policy was adhered to rigidly not only as a matter of administrative determination but, at the suggestion of Administrator Ickes, it was written into the law under which every Public Works Administration federal project is operated. There has been no evidence that the Public Works Administration housing programme cost legitimate real estate managers even one dime through loss of tenants. In the face of this irrefutable fact, the Cassandra-like dirges have fallen off to an almost inaudible muttering. There are still a few die-hards to whom the principle of 'no Government in business' transcends in importance all humanitarian acts, but in the main the need for public housing can be said to have gained universal recognition.

In November 1933, however, the destination was obscure and the course unknown. The organization chart of the Public Works Emergency Housing Corporation called for a general manager to be executive officer. Without deprecating the abilities of the Housing Division staff, the Administrator was determined to select as Director of the programme a practical man who could drive it through to completion. The search for a man, mature, forceful, accustomed to leading men, and available, was not easy. Not until February of 1934 was he found in the person of Colonel Horatio B. Hackett of Chicago, architect, builder and West Point Graduate.

Even before Colonel Hackett took command, the Public Works Emergency Housing Corporation struck a rock which eventually foundered it. On 11 January 1934, the Comptroller General wrote to the Administrator in reply to a request for transfer of funds to the Corporation. He recognized that Section 202, Title II of the Recovery Act, gave the Administrator authority to prepare a housing programme, and that under Section 203 the President was '*authorized . . . through the Administrator or through such other agencies as he may designate or create* to construct, finance, or aid in the constructing or financing of any public works project . . . pursuant to Section 202.' Acting on this apparent per-

mission . . . the Administrator had created the Corporation. The Comptroller General, however, saw the situation differently. He said:

The creation of a corporation involves organization and other expense . . . and should be avoided as unnecessary unless clearly in the public interest . . . While there is room for doubt that the authority given by the Recovery Act to create additional agencies was intended to authorize the creating of corporations, this office wishing to avoid placing any unnecessary restraint upon those administering the law has felt justified in withholding objection thereto where there seemed no serious danger involved. In the instant matter, however, inasmuch as the powers and authority outlined in the Articles of Incorporation appear to contemplate operations beyond statutory authority, and which condition unless rectified in advance of operations may lead to the incurring of obligations which may not lawfully be paid from the appropriation, it seems highly desirable that these things be now brought to attention in order that they may be worked out before there is opportunity for serious complications . . . In view of the doubtful matters appearing, this office, on the present record, does not feel justified in countersigning the warrants as submitted and they will be held pending further advises from you showing the legality of the course proposed or such alteration thereof as may be necessary.

To understand the import of this decision, one must know something of the position and authority of the Comptroller General. The office was created in 1921 by Congress to audit and pass on all expenditures of the agencies of the Federal Government, unless specifically exempted. The Comptroller General is appointed for fifteen years and his authority is independent of any other agency. His function is to make sure that all money appropriated by Congress is spent in accordance with the provisions of the acts of appropriation. Whenever, in the Comptroller's opinion, an expenditure made or contemplated does not seem amply justified under the Act he is required to disapprove it and, if already made, to demand restitution by the individuals responsible.

In many cases, such as that of the Public Works Emergency Housing Corporation, the appropriating Act is sufficiently general in language to permit two divergent interpretations of the same provision. Although there may be appeal to the courts from a decision of the Comptroller General, they have come, by acceptance, to be regarded in most cases as final. So it was with his

opinion that the Public Works Emergency Housing Corporation was not justified by the language of the Recovery Act. Since time was of the essence and since the wheels of the courts turn exceedingly slow, it would have been useless to appeal the decision.

The Attorney General concurred in the Comptroller General's opinion on one major point: namely, that the powers delegated to the Corporation were in excess of those delegated to the President and Administrator under the Recovery Act. These powers had been suggested sincerely in the sole hope that the Corporation might thereby short-cut some of the impediments of normal government routine and more quickly achieve the purpose underlying the Recovery Act.

The situation may be more clearly understood by making an analogy with private enterprise. Suppose one man were ordered to organize a nation-wide automobile industry and to have it operating in full production of 3,300,000 cars of all kinds and prices within two years. He would have at his disposal possibly one thousand manufacturing plants, large and small, most of which would be virtually idle at the beginning. He would have no staff and no idea of the condition or potentialities of the plants on which he must depend. He would not know whether they were capable financially, legally, or technically to fill the orders. Finally, he would not know whether they were even interested in obtaining the business. Every fender rolled, every motor block cast, would be subject to criticism by the people and press of the United States. In order to justify himself, this hypothetical motor magnate would be obliged to maintain a public record of just why, for instance, it was decided that the cars should be powered by gasoline engines, instead of the combination rubber-band-and-gravity gadget invented by Citizen Crackpot of Turkeyville, West Dakota, which had been recommended in person by the whole Chamber of Commerce and three State Senators. He would be obliged to listen, a large part of every working day, to the arguments of embattled blocs of fundamentalists who were convinced the automobile was no more than new-fangled nonsense and that what he should be building for a safe sound America was the tried and trusty two-horse buckboard. And in the face of these impediments he would

be required to produce in two years 3,300,000 cars which must be good cars, or else . . .

Even to contemplate work under such conditions would drive most of the country's captains of industry stark, raving mad in short order. Yet they represent substantially those which faced the Administrator of Public Works and his staff for four exhausting years.

It is not surprising then, that the Housing Division should have been disheartened by the wreckage of its vehicle, the Public Works Emergency Housing Corporation. By February 1934, it had been decided that the Housing Division itself would assume, for the present, the functions of the Corporation and that the Legal Division of PWA would undertake a study to determine whether, by amending the Corporation's charter, it could be made into an acceptable and effective agency. The study indicated, and history has proved, that the Housing Division could achieve the objectives planned as well as a Public Works Emergency Housing Corporation which would be acceptable, and no further attempt was made to revive it.

Inability to use the corporate vehicle forced a reconsideration of the powers of the Housing Division. The Legal Branch soon declared that the Housing Division could do virtually everything planned for the Corporation. The sole difference was one of speed. The Housing Division, the lawyers said, would be bound by all the rules of government procedure, audit of all expenses, reference to the Department of Justice of all title difficulties, competitive bids on all contracts, etc. . . . By the middle of February 1934, 533 applications had been received, 20 had been given tentative allotments, of which seven finally were approved for loan contracts. The ratio of applications to approved projects was so unreasonably disproportionate that Administrator Ickes on 23 February ruled out acceptance of any further applications in the following statement:

In view of the exhausted status of the public works fund . . . PWA henceforth will not consider applications for loans from . . . *limited dividend housing corporations* . . . The new policy is not to be construed to mean that no further money is to be allotted for low-cost housing and slum

clearance projects. The fact is, the experience of the Housing Division of PWA has demonstrated that private initiative has failed to supply the low-cost housing that is needed in the United States.

One can surmise that the Administrator and his Housing Division closed books on this policy with a regret considerably mitigated by relief. To be able to turn to what looked like a fresh, clear-cut policy, seemed at first like stepping from the winding futility of a dark labyrinth onto a straight and sunlit road. Here was a path on which one might find his way and always know where he was. If the destination was not clearly visible from the start, at least a man could not be lost and, persevering, he was sure to reach his goal in time.

Yet, although the road seemed straight and clear, many preparations for travel were necessary before the journey could actually begin.

Mr. Ickes, in announcing the policy of the Public Works Emergency Housing Corporation, had said on 10 December 1933:

Projects will be undertaken by the Public Works Emergency Housing Corporation upon invitation from local officials and/or groups of representative and responsible citizens or civic organizations. Where the Housing Corporation initiates, local groups and agencies will be utilized to the fullest extent possible in the acquisition of sites, design, construction, and operation of the projects. In any case, the cooperation of responsible local groups and agencies is essential.

Rightly, he insisted that such 'responsible local groups and agencies' should be a prerequisite to the initiation of so-called federal projects by the Housing Division. Without such local support, these projects would be dropped into a void lacking any intimate relation to the community.

The number of 'responsible local groups and agencies' existing in March 1934 could be counted on one's fingers. There were State Boards of Housing in a dozen states but they could hardly be designated as 'local,' any more than the Federal Government. A few cities, such as Boston, Pittsburgh, and Philadelphia, had unofficial and charitable 'Housing Associations' which dated from the reform days of the early 1900's.

In September 1933, the Ohio Legislature passed the first of a series of state laws which are now regarded as essential to the

progress of public housing. Under this law, municipalities were authorized to create housing authorities, boards of five members appointed by the mayor, which had the right to issue revenue bonds, borrow money, purchase land (by eminent domain, if necessary), construct, and operate housing projects. The housing authority is active where the state board is passive and clearly demonstrates the evolution of public housing from the regulatory to the creative stage. The authorities to be established under the Ohio law embodied all the powers and responsibilities required by the Administrator.

Before the end of September 1933, Cleveland had established the first municipal housing authority in the country. Cincinnati, proud of her record as a progressive, efficient and honestly operated city, created its authority in November. In December, New Jersey established a State Housing Authority with regional offices which satisfied the 'local' requirement.

In January 1934, New York (largely as a result of Housing Division missionary work) passed a housing authorities law. Almost before the ink was dry on Governor Lehman's approving signature, Mayor LaGuardia had appointed the New York City Housing Authority.

Also in January, Michigan passed a housing authorities law limited to cities with a population of 500,000 or, in other words, to Detroit which promptly set up its Detroit Housing Commission.

By the end of April 1934, Delaware, Illinois, Kentucky, South Carolina, and West Virginia had passed housing authority acts, although it was some time later before any actual authorities were established. Here, then, was a nucleus of potentially responsible local groups with which the Housing Division could deal.

In many states where it was hoped that the Division could operate, legislatures were not in session nor would they be for a year, perhaps two. In some others rustic statesmen, perceiving in such legislation no benefits to their constituents and consequently to their own security of tenure, ploughed under these bills. In several cities where authorities were created, the mayors took advantage of what seemed to be a new opportunity for reward of the faithful, by appointing to them the gentleman who had 'delivered'

the ninth ward, or a cousin who was an expert clock watcher but was otherwise undistinguished. Fortunately the state laws were so drawn that at the beginning of a programme, these willing boarders at the public trough could find no sustenance, legitimate or otherwise, and soon (at their own request), the mayors supplanted them with the sort of civic leaders who should comprise a housing authority.

No city has ever been given consideration by the Housing Division where there was not an urgent need for housing backed by strong support from disinterested and representative citizens. Wherever the Housing Division encountered one of the three situations listed above, it recruited a citizen's Advisory Committee to aid in the development of projects. These committees and the housing authorities, where they existed, made recommendations on areas of operation, local personnel, and general procedure.

On the basis of applications submitted for limited dividend projects, the President and the Special Board of Public Works, on 12 April 1934, approved the first allocations for the following cities: Atlanta, Georgia, 2 projects; Cincinnati, 1 project; Cleveland, 4 projects; Indianapolis, 1 project; and Milwaukee, 1 project. On 26 April, projects were approved in Louisville, Montgomery, Alabama; Chicago, Detroit, Los Angeles, Memphis, Nashville, the State of New Jersey; New Orleans, New York, Savannah, Georgia; Toledo, Washington, and Youngstown, Ohio. Funds amounting to \$114,241,000 had been thus allotted for 29 projects in 23 cities.

Only five of these cities and the State of New Jersey had housing authorities, and none of the authorities was financially equipped or ready to undertake the work of preparing plans, acquiring land, etc. which would have to precede any advance of funds from the Housing Division. By common consent the Housing Division was designated to launch the work with the authorities and unofficial citizen's committees acting in an advisory capacity.

On 13 June 1934, during a reorganization of the Division by the Administrator, Mr. Kohn resigned as Director of Housing. Colonel Hackett was appointed to succeed him. He addressed the Housing Division staff on 18 June as follows:

The Housing Division has before it a definite objective—to build houses. There are many difficulties that lie before the organization, many rough roads to be travelled, much seemingly useless red tape, but these factors must all be overcome and we must have action. The world outside Washington feels that we have had sufficient time to build houses, and is not inclined to listen to any more excuses or reasons why 'we don't *start* building' . . .

I am sure we have the nucleus for a splendid organization and the fact that we are short handed means that every one of us will have to work a little harder and take on additional burdens . . . Be fully justified in every decision that you make. It is a word of new significance to me but it is the most important word that I have acquired since coming to Washington. I do not think the Administrator will criticise us for decisions made after careful consideration, check and investigation, but he will severely criticise us for haphazard snap judgments . . . We are started on the road to reorganization.

CHAPTER III

DESIGN FOR LIVING

To plan a city with a population of between 70,000 and 80,000 is a fair sized job. Such a city would compare in size with Pasadena, California; Little Rock, Arkansas; Springfield, Illinois; Manchester, New Hampshire; or Winston-Salem, North Carolina.

This was in essence the problem faced by the Housing Division when it launched the programme of direct federal construction. And yet in many ways the problem was more complex than that of planning one community, for the Housing Division's programme had been designated as a demonstration to be made, not in one city, but in as many as available funds would permit. Although this housing was to be planned for one group, the third with lowest incomes, the living habits and earnings of this group varied tremendously from one section of the country to another.

Those who shaped the Division's policy realized the impossibility of imposing one type and size of project on every community, but they also recognized the need for a broad general principle to govern the planning of every project. 'The complete community' was early established as the cardinal principle. Not a new concept, the 'complete community' has characterized the best of both English and American planned housing for years. Whether it be under public or private auspices, housing constructed on a large scale according to a comprehensive and predetermined plan has proven advantages over piecemeal construction.

Such planning tends to produce, first of all, stability. Perhaps the most serious defect in residential communities today is the too-great variety of the buildings themselves and the quality of their maintenance. Zoning ordinances, designed to produce stability in neighbourhoods were usually put in effect only after the neighbourhoods were built, and were therefore ineffective in the elimina-

tion of existing abuses. Hence, in every city, residential districts develop which are conglomeration of single-family houses, flat and apartment buildings, stores, and even industrial plants. Next door to a well-kept house may be a dilapidated, shabby shack whose yard is strewn with junk and whose condition cannot fail to affect the good dwelling. Commercial and apartment buildings increase traffic circulation and make necessary wider streets for which house owners (who would prefer precisely the opposite) are assessed as well as those whose need created the streets. One industrial plant is frequently sufficiently objectionable to ruin a whole neighbourhood.

The disorder, flux and, not infrequently, the blight which result from this lack of stability are caused by failure to recognize that, if we are to live in communities, we must be community-minded. The neighbourhood improvement association, familiar to everyone, has been established in an attempt to bring some order out of disorder. Praiseworthy as such attempts may be, they usually are merely valiant efforts to save a lost cause.

Only in the creation of new and comprehensively planned neighbourhoods or in the surgery of wholesale replanning can the necessary stability be achieved. The unqualified success, from a community standpoint, of every large scale housing project in the country is evidence of the fact that almost any plan is better than no plan.

The development of neighbourhoods—rather than individual homes—not only tends to stabilize communities, but also reduces many municipal expenditures. Our present street layouts are largely determined by our adherence to the long narrow individual lot. Discard this obsolete form of land division and we should have no need for the monotonous and wasteful gridiron street patterns which characterize most of our cities and towns. Without accomplishing miracles, the Housing Division in its 51 projects was able to remodel existing street patterns and reduce the necessary street area by as much as 30 per cent. Such reductions applied to the residential areas of New York, for instance, could cut the annual cost of its highway division by as much as \$7,000,000.

Other tangible savings, guaranteed in the development of prop-



THE NATION'S FIRST PUBLIC SLUM RECLAMATION PROJECT:
*Techwood Homes, Atlanta: Here were 11 blocks rated by city police,
officials and civic leaders as Atlanta's worst slum.*



erly planned large-scale housing projects, particularly those tied in with slum reclamation, result in the reduction of fire hazards. It is safe to say that a virtual majority of slum dwellings antedate building and zoning ordinances with provisions to reduce losses from fires. Rear lot and alley dwellings, and improperly constructed frame buildings, have repeatedly been the tinder boxes in which fires, with loss of life and property, have been ignited. Nothing short of razing such buildings and reclaiming the neighbourhoods for their proper use can wipe out this menace.

There is sufficient evidence, both in this country and in Europe, that the planned community develops healthier and better citizens, and that the improved health and morals—particularly of those whose former homes were slum tenements or shacks—reduce the cost of hospitals, clinics, courts and prisons. Such savings are hard to measure in terms of an accountant's balance sheet, but they may easily be verified by public health and police officers.

Obvious as may be the benefits to the municipality which boasts a large scale housing project, its primary purpose is naturally to benefit those who live in it. To them the more abundant life is a reality. Their children have adequate playgrounds, safe from the dangers of fast moving automobiles. Their homes are well designed, well built, well equipped, and they are protected against most nuisances which beset the individual home owner. The very nature of the large-scale housing project fosters natural group action, which in turn leads to community strength. In such projects social and recreational activities are developed spontaneously and, to the advantage of every inhabitant, civic interest is effectively aroused and easily maintained.

Construction of dwellings on a large scale also makes possible economies in the purchase of materials and in the provision of utility services. Thus the builder may pass on such savings in the form of lower costs to the tenants. Once these projects are built, the tenants are in position through their group interest to obtain advantageous prices for gas, electricity, and other commodities. The existence of a large and more or less uniform community tends to draw stores to the neighbourhood and thus cuts the cost of transportation to distant shopping centers.

The planning of such communities was, of course, the keystone of all future work of the Division. Until it had been decided where and what to build, no land could be bought, no construction undertaken. Qualifications for the job of planner combined the abilities of city planner, architect, sociologist, and economist. Realizing that no man possessed all these qualifications, the Director sought young men with intelligence, adaptability, experience in architecture and no fear of hard work.

By July 1934, a Branch of Initiation, composed largely of young architects, had been formed and had begun to assess the need for housing in the many cities which had applied for projects. The scope of their work consisted first in selecting among hundreds of cities that applied those where the housing need was greatest and where a justifiable project could be developed. Next, they determined where and what to build. The 'where and what' comprised selection of sites, determination of both size and type of project, and, finally, the preparation of a detailed programme for the project.

The programme for each project specified, for instance, how many three-room units there should be, what type of refrigeration, the size of the management office, and a thousand other details. Although it may seem to the layman that the determination of such details could be postponed until the projects were under way, as a matter of fact, every one was conditioned on one cardinal factor—the rent to be charged. In these programmes not even a children's play yard was specified without counting its effect on rentals. To qualify under the programmes outlined, sites were purchased and the projects were actually designed. But before they could be prepared extensive study of statistical data and field work was necessary.

In order to facilitate selection of sites and subsequent development of projects, initiators of the Housing Division sent out a questionnaire to cities which applied. After a series of general questions intended to identify the sponsors and to ascertain the local attitude toward housing, this questionnaire called for information on population in the community; its growth, shifts, and racial percentages; on industry, trends and growth; on slums and blighted

areas, extent, population, and character; on land planning, street patterns, parks, and relation of the slums to the city; on quantitative and qualitative demands for housing. The Housing Division wanted to know whether there was a smoke nuisance in the neighbourhood; where and how much filled land there was; what was the extent of tax delinquency; what was the percentage of home owners—in other words, every fact concerning a given site which might be valuable in its acquisition and development.

The information called for on the questionnaire should be available in cities to anyone contemplating any large scale building operation. Intelligent interpretation and application of such facts would undoubtedly curtail the volume of construction in our cities, for it would show up in advance the probable failure of much speculative enterprise. That such curtailment would be financially beneficial to the cities, to consumers, to realtors, in fact to everyone except, perhaps, the building trades, is apparent. Yet the cost of compiling and of keeping these data up to date after they have been compiled is considerable. A rule of thumb, subject to considerable variation, is that such surveys, if comprehensive, cost about \$1.00 per capita. Prior to the depression, attempts were made in a number of cities to launch real property inventories, but invariably they failed because builders, with unquenchable faith in their superior judgment, could not be convinced of the value of information which seemed to contradict their beliefs. However, when hard times threw millions of white collar workers on relief, the time seemed ripe to make such surveys. Using relief funds and qualified clerical help, the Department of Commerce, in 1934, made a series of such real property inventories in 64 selected cities of the country, from which tenable and invaluable assumptions on the state of American housing have been made. Scores of cities, not covered by the Commerce inventories, used their form and organized their own relief projects to make similar surveys. The data compiled, if they can be kept up to date, will be of permanent and inestimable value to the cities.

It was from such surveys that the data called for in the Housing Division's questionnaire were compiled. Regarded at first as unnecessarily complex, these data are now basic in the study not only

of public but also of private housing projects. The sponsors of Chatham Village (a wholly private, limited dividend project in Pittsburgh), Hillside Homes and Carl Mackley Houses (PWA limited dividend projects), made such surveys before they attempted to plan their projects. The Federal Housing Administration requires such justification from the sponsors of private housing projects before it will insure mortgages on privately financed loans.

On field trips to check information supplied by answers to the questionnaire, initiators often found that slum areas were in the very path of an industrial glacier that seemed destined in time to wipe them out. Sometimes, as in Youngstown, Ohio, these slums constituted a shabby oasis in a great industrial desert. Not infrequently, as in Philadelphia or Chicago, the extent of the slums was so vast as to have no apparent beginning or ending. To place a housing project (of the size possible under the Housing Division budget) in such an area, was to pour pure water into a swamp. Its effect would be immediately nullified.

In many cities, such as Lackawanna, New York, they found populous slums which should be cleared and, at the same time, they found vacancy ratios of less than one per cent. To clear such slums before building new housing for the slum dwellers would be to throw them on the streets.

In other cities they found the slums, commerce, and industry so intermingled that it was impossible to tell where one began and another ended. In the business district of Birmingham, for instance, the street fronts of many business blocks are graced by handsome stores of which the city is justly proud. But, if you care to investigate behind these imposing store fronts, you will find the blocks bisected by alleys which have spawned a crawling ant hill of ramshackle Negro huts. To clear such slums, the Housing Division would have been obliged to buy out the stores at prices which one can only imagine. Had it bought only the alley shacks and built a project on the same site, the result would have been to recreate, in short order, the very conditions it sought to erase.

Applications of a number of cities showed them to be 'one industry' towns. The question arose, for instance, in Winston-Salem,

North Carolina, whose life depends on cigarette manufacture, whether it was wise to build a project to last sixty years. Suppose that America turned back to cigar smoking or 'chawin' tobacker,' what would happen to the city and the project? The question, so far as the Housing Division was concerned, was made academic by the action of the City Council. The North Carolina Housing Authorities Law permits the appointment of a municipal authority in cities certified as possessing slums. In the case of Winston-Salem, the City Council, by solemn resolution, proclaimed the city to be slumless and refused to appoint an authority. Although their attitude was at variance with the consensus of newspapers, civic leaders, and extensive visual evidence, the Housing Division had no alternative but recision of its allotment to Winston-Salem.

Most of the cities' applications called for slum clearance because the idea, largely on sentimental grounds, captivated local committees and authorities and, generally speaking, they had no difficulty in selling it to their communities. The definition of the term, in the minds of most approving laymen, was precise. It meant tearing down the slums—and nothing more. From the standpoint of local chambers of commerce, business men and all kinds of civic organizations, it was recognized that the appearance of 'Pittsville' would be immeasurably benefited if the frame shanties 'back of the tracks' that lined the new concrete highway leading from downtown to the best residential neighbourhood, were cleared away. In one case, the local bigwigs told an initiator, 'slum clearance will help the tourist trade, for motorists often avoid our city because of the slums on the outskirts.' As for any interest in the implied definition of 'slum clearance,' a new deal for slum dwellers, they had none. Nor were they concerned with the mechanics. 'Slum clearance' to them was like the tonic of a medicine man. One swig of the sovereign remedy, and every festering sore would vanish from the shining face of fair 'Pittsville.'

What per cent of the slum dwellers has been rehoused in PWA buildings?

Their enthusiasm was, alas, frequently deflated when they perceived, first, that the Housing Division regarded this physical clean up as incidental to the re-housing of slum dwellers; and sec-

ond, that as often as not, insuperable obstacles stood in the way of achieving such measures.

Despite the fact that nearly half of the PWA housing projects have been built of necessity on vacant land, there are good and sufficient reasons in every city whose projects do not involve slum clearance directly why it could not be done. In every city the initiators' first interest was in slum clearance; in every city they clung to this method until every possibility of achieving it had been exhausted. And in every city where it was proved to be impossible they gave the local sponsors a clear cut alternative of a vacant land project. In a number of cities where the sentiment was for slum clearance (in its precise definition) and nothing else, the applicants frankly refused to sponsor a vacant land project and the Housing Division was forced to withdraw.

But a majority, while not unanimously enthusiastic, accepted their fortune on the realistic theory that half a loaf is better than no bread. Some of these cities, such as Charleston, South Carolina, and Louisville, Kentucky, agreed to achieve the purpose of slum clearance (in its broader sense) by the demolition of a number of slum dwellings approximately equal to those provided in the new project. Practically every city in the United States has adequate power to weed out sub-standard housing, and there is no question that responsibility for existence of the slums lies on the doorstep of the city halls. Cities, like Milwaukee, with courage to act on this power, have kept their slums in check.

In every city where a PWA housing project has been built on vacant land, initiators sought to obtain commitments from municipal authorities to undertake contingent demolition—this, in order to achieve the very slum clearance they claimed to desire. But, since there was no compulsion, and since such action would inevitably cause some dissension (whether justified or not) the local statesmen usually ducked the issue and left the Housing Division to face alone all criticism for failure to clear the slums.

No matter what the city, the job of developing housing projects, from the vague stage of 'something should be done' to the finite stage of so many dwellings of such a type on such a site to rent for so many dollars per room per month, was much the same.

The initiator was required to report on the quality and enthusiasm of the sponsoring group, to investigate its motives in order to forestall any attempts to unload land, materials, or services. He checked up on site recommendations and confirmed those suggested or made new recommendations. He investigated the competency and availability of local architects and engineers to do the actual designing of projects. He conferred with city officials to learn what co-operation they were prepared to offer. He made exhaustive inquiries into the need for housing, in just what income group it was most acute and the rent-paying ability of that group.

From the data compiled and a first hand study of local conditions he developed, on his return to Washington, the complete programme for the project. The key to such programmes of course was the amount allotted to each city or project. Because the funds were limited, it was never possible to do as large a job in each city as the local sponsors desired. Budgets were prepared on the bases of need and population.

With a reasonably assumed land cost and knowledge both of probable building costs and acceptable rents, the initiator made financial set-ups until he achieved one which seemed to fulfill all the necessary conditions and to fall within the tentative allotments. In such set-ups there was, of course, a good deal of guess work on costs.

Until the Housing Division obtained bona fide options on all land involved, no one could predict the precise price. The initiator was guided by assessed values, recent sales of similar property, local opinion of value, and finally by the opinion of the Housing Division's Branch of Land Acquisition. If the project did not involve slum clearance, if titles were reasonably good, and if the land desired was held in few hands, these estimates of value were likely to be quite accurate. Otherwise they were subject to any variation that could result from cupidity or legal difficulties.

So too with building costs. Depending as they do on a most intricate combination of factors, nothing is more uncertain than the estimate of how much it will cost to construct a given building in a given city—particularly when, at the time the estimate is made, no one (including the estimator) knows *when* the building will

be built. In 1934, building costs were near the bottom of the depression curve. They rose sharply through 1935 and 1936 and where, for one reason or another, construction was delayed on projects as little as a couple of months, these increases upset the most careful and accurate estimates.

The first projects launched were in those 23 cities which had been given tentative allotments, and all of them involved slum clearance. Because of the certainty that asking prices for land would skyrocket as soon as the location of proposed operations was disclosed, initiators were forced to move in a conspiratorial atmosphere. Already the Housing Division had witnessed the unfortunate consequence of premature announcement of proposed sites caused by the following letter, written to certain property owners in a middle western city by the chairman of a young and quite naïve housing authority:

Dear Citizen:

The United States Government has made available for the use of the——Housing Commission three million dollars which is the estimated net cost of the City Planning Commission's re-housing project No. 3. This project No. 3 contemplates the acquisition by the City of——of your property within the proposed district at a price not to exceed its assessed valuation.

The——Housing Commission through the Federal Government will unhesitatingly exercise its legal right to condemn the property within the proposed area. Under the present emergency the——Housing Commission will not split straws but will award the full assessed valuation for your property and asks your cooperation as a good and patriotic, etc., etc., etc.

Within twenty-four hours after this unauthorized and curious epistle had been mailed, a completely baffled tax assessor's office was swamped by frenzied citizens, demanding that their assessed valuations be increased! Since the assessor recognized many of them as persons who had recently, with heartrending tales of misfortune, beseeched him to lower those very assessed values, he concluded some one must be crazy and (it was rumoured) put in a rush call for the emergency squad and a gross of straitjackets. After reading this letter the assessor had a good laugh and forgot the matter, but the Administrator of Public Works did not forget it. He ordered the Housing Division henceforth to make no statements of any kind concerning allotments, plans, or areas of opera-

tion in any city until the control of the land was in the United States Government.

While this order was essential, it handicapped initiators whose conferences with local officials were, of necessity, couched entirely in the conditional. They were obliged to say 'If we did this would you do that?' Despite the fact that all projects were sponsored by representative citizens the nucleus was, in the early stages of the PWA programme, small. Mayors and other city officials, business men, and property owners were inclined to look on public housing with some suspicion. They regarded these representations as purely hypothetical and would frequently break in with, 'Stop this "if" business! Are you going to fish or cut bait?' It was extremely difficult to obtain commitments from municipal officials, which were essential preliminaries to the development of a project, before the Housing Division would guarantee the project itself.

Although the Housing Division never had a political tinge, initiators constantly found themselves involved in difficulties caused by politics. Local statesmen frequently assumed that the whole housing programme was a new kind of pork barrel. In some States where the two major political parties alternated frequently in victory, both fought to control policy, the 'ins' in the belief that somewhere there might be a chance for patronage, the 'outs' in the hope that they might gain prestige. In a number of northern states where local officials were opposed to the national Administration, they blocked every attempt to obtain official approval on purely political grounds.

Obstacles most frequently created by local officials were refusal to close streets and to consider re-zoning of project areas. Most of the Housing Division projects contemplated areas of several blocks in which there were a number of interior streets. In the replanning of such areas it was proposed to close these streets to through traffic (in order to provide safety for children), and to vacate them. They could, as a rule, have no further value to the city and moreover there was effected a saving in maintenance if the city agreed to so dedicate them. No cost whatsoever to the city was involved, yet, time and again, city councils refused to offer this painless aid to an enterprise whose only purpose was to

improve living conditions for the recalcitrant statesmen's constituents. So it was with zoning revisions. In a large percentage, if not a majority, of slum areas there are no zoning restrictions. Anything goes, from a boiler factory to a glue works—which is of course a major reason why the slums have come to be. Although these areas have become blighted largely because the zoning ordinances permitted unrestricted industrial enterprise, the development of that industrial enterprise has never materialized, nor, in all likelihood, will it. As a consequence the areas are doomed to rot without hope of redemption in any form. By building a slum clearance housing project in such areas, the Housing Division created a hope of recovery. Yet, without a revision of zoning ordinances to guarantee protection against a recurrence of blight, this surgery was useless. Time and again city councils refused to consider such revision, purely on political grounds.

This type of obstruction was not universally encountered. Some cities have been blessed with public officials (particularly mayors) with vision, integrity and energy. They have looked beyond any picayune political advantage which might accrue either from approval or disapproval of projects and have given unstinted support.

The Branch of Plans and Specifications worked in close conjunction with initiators. It was composed largely of specialists: architects, some expert in unit planning, others in site planning, still others in knowledge of specifications; engineers widely recognized in the fields of structural, heating, electrical, ventilating, plumbing and sanitary design. It had a staff of estimators and a group of landscape architects.

Applications submitted for limited dividend projects indicated with distressing clarity that probably a majority of builders in the country were incapable of planning a large-scale low-rent housing project in the terms required by the Housing Division. It was insisted that local architects and engineers in every project city should share in the benefits of the programme since they had probably suffered more in the depression than any other professional group. However, it was probable that if these men were merely given the programme for a project (so many dwellings of such a

type to be distributed on a given site), they would be forced to spend months familiarizing themselves with technique and then would turn out an indifferent job. No insult to the profession was implied in this view, for large scale housing projects are no less intricate in design than, say, a large hospital with all its specialized equipment. The idea that such projects are merely an aggregation of elemental units is illusory. In fact, there is no more subtle and difficult problem in all architectural design, for the elements that may be used are rigidly restricted in cost and one tiny mistake may be repeated so many times as to mount in the end to disaster.

In the fall of 1934, Housing Division architects were charged with the preparation of a series of dwelling plans. Apartment units of all types and sizes, group houses and flats of infinite variety were to be designed and the designs to be published as a guide to local architects. Although these schemes, published in a book called 'Unit Plans,' have subsequently served as a Bible to planners all over the country, the Director presented them to architects with the following comment:

To date we know of no plans more efficient, with less waste or more amenity for the construction dollar. We do not say they are the last word on the subject and undoubtedly some architects can suggest refinements. They are given to you in order to save you months if not years of study to reach the same stage. If you can improve on these plans within a reasonable period, we shall welcome your own plans. If not, use these with our blessing.

Most of the architects employed by the Housing Division used these plans without change but a few developed extremely interesting improvements.

The architect's difficulty in planning dwellings for low-rent housing projects lay in their essential simplicity. He had, through years of experience, developed a highly sophisticated vocabulary which he was forced to scrap when he faced this problem. By the very conditions of the problem, he was obliged to express a complete philosophy in the architectural equivalent of the vocabulary of an infant.

If he found himself handicapped in planning units, he was completely at sea in planning the development of a whole site. Accustomed to work largely in isolated units (the suburban house, for instance), he had never thought in terms of the community and

the relation of one dwelling unit to hundreds like it. He was bewildered by unusual topographical conditions, hillsides or rolling sites. Again the Housing Division offered help. For every project experienced site planners made a sketch plan expressing the general ideas of the Division, adjusted to the peculiarities of the site proposed. They knew how to take fullest advantage of a favourable outlook, how to place buildings to avoid the disadvantages of unfavourable conditions, how to mitigate the monotony of repetitious units, how to skirt areas with poor soil conditions. Again, these suggestions were offered with the hope that they might be improved upon. Again, a majority of architects took them without much change and a few made conspicuous improvements. The style of buildings, whether they should be 'modern,' colonial, Spanish, or what-not, was on the whole left to the decision of local architects. They had only one watchword, simplicity. As a result there is, to the layman's eye, great variety in the exterior design of projects. New York, Chicago, Camden, Cleveland, and some others are modern; Jacksonville and Miami are of tropical design; Charleston recalls the graciousness of its heritage; Boston is in keeping with the New England tradition; Dallas suggests the distinctive architecture of the Southwest.

In quality of design there is equal variation. Some of the projects are brilliantly conceived, many less so, and a small number, it must be confessed, are honestly described as uninspired. They reflect inevitably the caliber of local architects. Where these men had imagination and sufficient experience in large-scale work the projects are handsome. In some smaller cities where all important work is usually farmed out to big-city, big-name architects, the local men have nothing more to practice on than small work like \$5,000 houses and remodelling. For many of these men the PWA housing project was the largest job they had ever undertaken—or would ever obtain.

More uniformly good results might possibly have been obtained had the projects been designed in entirety by the Housing Division. Yet such a policy would have worked unfair hardship on local architects and engineers.

In any case, whatever the deficiencies in design, they do not af-



HOME ON THE ONE-TIME RANGE: Cedar Springs Place, Dallas, recalls the adobe architecture of the Southwest.



MODERN DESIGN IN CLEVELAND: Cedar Central Homes illustrates the simplicity and harmony of the best contemporary architecture.



flect in any way the durability, efficiency, or economical functioning of these projects. These essential elements were fixed in the plans and specifications largely controlled by the Housing Division.

The lowest possible density of development was planned. Low density means a small number of families per acre. The term is, of course, relative to the location of any given project. A density of 65 families per acre would be excessive in a suburban area; yet it is well below the average—and hence reasonable—on Manhattan Island. A density of 12 families per acre on cheap land in suburban Miami is feasible, whereas not even a millionaire could afford such luxurious planning in New York.

Density of development is, unfortunately, affected chiefly by the cost of land. The cost of land has no bearing on living amenities, but until the existing concept of land values is radically changed, we must accept the conditions of our economy. However, by planning intelligently on a large scale the effects of densities necessary to carry high land costs can usually be mitigated. Density of development is expressed physically in terms of the height of buildings and the ratio of the ground area to that of the site. This ratio is usually called 'coverage.'

Except in New York City, with the highest land cost in the country, the Housing Division specified maxima of four story buildings covering no more than 30 per cent of a site. The social benefits of such low coverage are obvious. It is far more important to families whose lack of income ties them to their homes than to those who can drive into the country whenever they choose. This, of course, is desirable but in itself would not, from the layman's view, justify the low coverage advocated by the Housing Division. These advantages, however, have a business value. The builder who crowds his land creates conditions that do not attract tenants who can choose less congested surroundings. Only as long as there is no less distasteful choice will he benefit from his cupidity. The gamble he takes requires that he hedge his bet with a large vacancy allowance. A minimum of 10 per cent is not considered excessive.

The limited dividend projects of the Housing Division, with three years' operating experience and built on the principle of low

coverage, have hardly had one per cent vacancy since their doors were opened. Here then is one source of business gain produced out of an exercise of social principles. The only advantage that *can* be gained from crowding land is to distribute land costs over a large number of income producing units in order to reduce the total cost (land and building) per unit. Obviously, if a man buys a tract of land for \$100,000 and puts on it only five houses to rent, his profit will be far less than if he built fifty houses. In the increase of congestion, however, a saturation point is reached where the land cost is spread so thin that its effect on total unit cost is imperceptible. In other words, there is *no* economic advantage to be gained by crowding land beyond a certain point. It remains, of course, to determine where that saturation point may be. Its position is determined by the price of land and the manner in which it may be amortized. The cheaper the land, the lower the saturation point.

As a housing unit, the single family, detached home was ruled out on the grounds of cost. The cost of land in cities, which no one can control, makes imperative the most economical use of that land. Built on a lot with a minimum dimension of much less than 50 feet, the single family house loses most of its advantages. The side wall windows are blanketed, both as to outlook and to cross draft, by whatever houses may be built on adjoining lots. When ground area runs much under 5,000 square feet per dwelling, it is more practical to abandon the planning illusion of four adequate exposures and to turn to the frank and adequate two exposure plan of the grouped dwelling. Thus, in urban communities where the cost of providing a land area of 5,000 square feet or more is almost always unjustifiably high, there is no logical alternative to the grouped dwelling.

In a project of grouped dwellings, open, unbuilt-on space is concentrated in large areas for better community use than that which surrounds single family houses in the average residential neighbourhood. These facts in favour of grouped dwellings are so important as to outweigh the customarily noted advantages of the single family house, where the needs of medium or low-income tenant families are concerned.

The grouped dwelling affords also considerable savings in construction costs. The area of exterior walls is cut nearly 50 per cent, and therefore the area of exposed wall which must be heated in winter. The length of sewage, water, gas, and electric lines is greatly reduced. In cities where building codes impose a high (and thus expensive) standard of construction, these considerations are vitally important.

Exhaustive tests have been made of all materials which might conceivably be used in Housing Division projects. Ultimate recommendations were based on three criteria: initial cost, efficiency, and maintenance cost. Specification writers knew well that many cheap materials go to pieces in a few years and that it would be false economy to consider first cost alone. They knew also that, for instance, the initial cost of coal stoves in apartment buildings would be cheaper than a central heating plant, but that, in counting the cost of redecoration caused by hauling coal up and down stairs and disposing of ashes, central heating would be more efficient and more economical in the long run.

As an illustration of the care with which these problems were studied, see what the Director had to say on the subject in an address delivered before the Labor Housing Forum, Atlantic City, New Jersey, in October 1935:

One day we were discussing the type of heating advisable for the Nashville, Tennessee projects. Although Nashville is considered a southern city, it is in the mountains and its latitude, I knew, would be somewhat offset by its altitude. I called the Senior Mechanical Engineer for his opinion and he brought to me a chart which indicated the high, low, and mean temperatures for every winter day in Nashville for the past twenty years! We did not guess what type and size of heating equipment to install in Nashville—we knew! Throughout the Division decisions are based on the same thorough study not only of local conditions but on the probability of national trends during the sixty years' life contemplated for these projects.

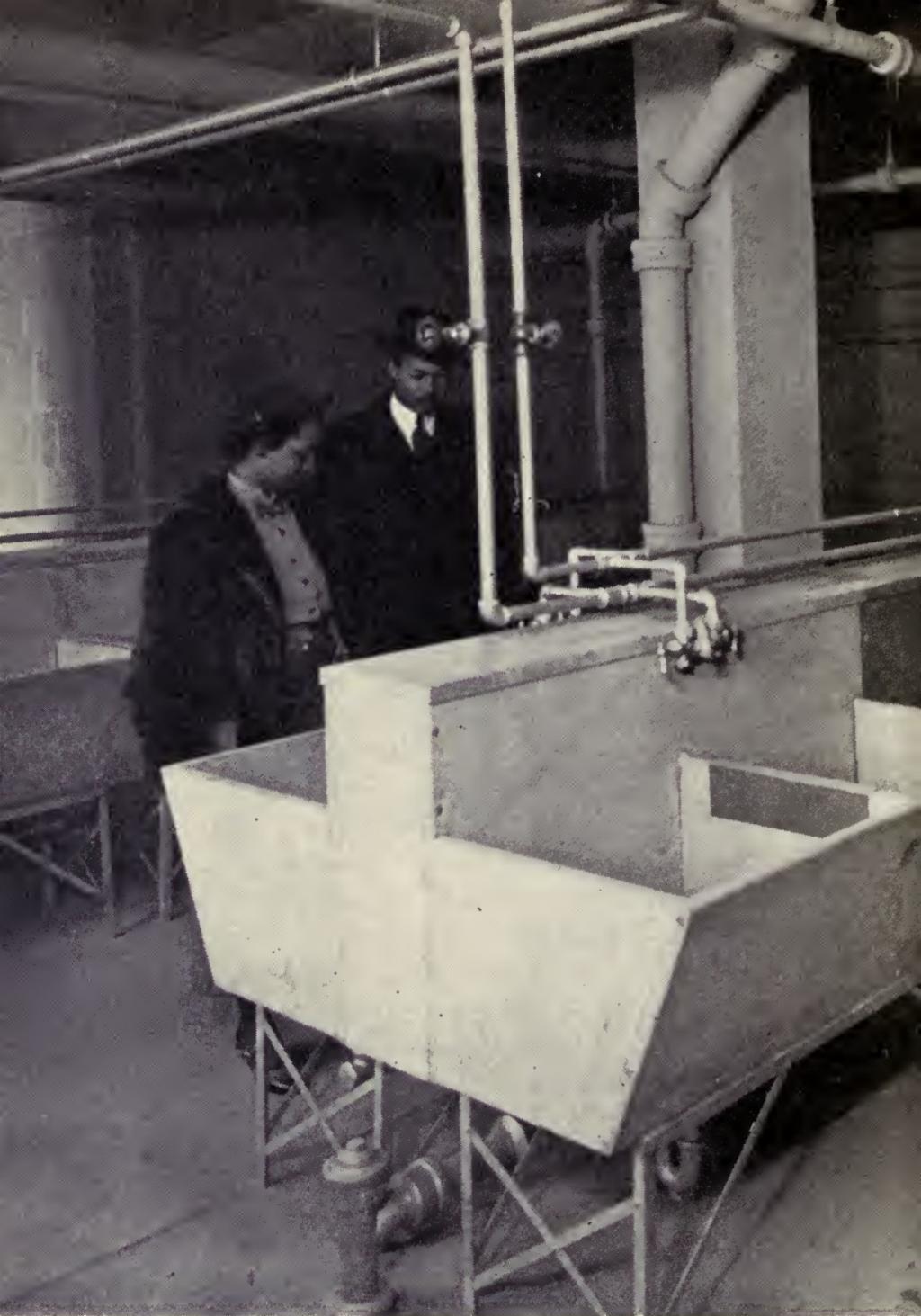
In every case the cost, initial and maintenance, of these recommended materials was analyzed for their effect on rents. The general conclusion was: it is economical in the long run to build well. A great majority of Housing Division projects are fireproof in construction. They have concrete foundations, columns and floors; their exterior walls are of brick backed up by tile, and all interior

walls and partitions are plastered. Steel casement windows are generally used.

Living rooms contain at least 150 square feet; bedrooms, 100 feet; there are closets for every bedroom, and three general closets, coat, broom, and linen. Every unit has either cross or through ventilation, and none is more than two rooms deep. In other words, every room is an outside room. Every unit has a bathroom equipped with tub, water closet, lavatory and medicine cabinet. Its kitchen has a sink, refrigerator, and stove (most of which are mechanically fuelled, either by electricity or gas).

Why this luxurious mechanical equipment for slum dwellers accustomed to hard privations? Why, for instance, electrical stoves and refrigerators when probably 85 per cent of the homes in the United States have neither? The answer is, economy. By virtue of large scale buying (the Housing Division purchased in one order, the largest in history, 16,697 electric refrigerators) initial retail cost of these appliances was cut precisely in half. By virtue of wholesale purchase of gas and electricity, the Housing Division was able in many cases to obtain rates so far under the retail domestic rate as to make the *operation of lights, and cost and operation of refrigerators less expensive than the cost of operating lights alone under the retail domestic rate*. This seems, it is true, like the magician's feat of taking a rabbit from a hat. No one could be expected to believe it unless he saw actual figures, but it is nevertheless the fact—and the only one—on which the provision of such equipment could be justified. Many projects do not have this equipment, and the reason is simply that, in these cities, the local utility companies were unwilling to offer wholesale rates to the Housing Division (although they offered such rates to similar private developments, such as hotels). Without a wholesale rate for a wholesale operation, the Housing Division could not effect the economies necessary to justify the use of such equipment.

Thus the basic standards of design of the Housing Division and the reasons for their adoption. The application of these standards in each project city called for extensive deliberation with local authorities—work which was done by the initiators. What type of dwelling unit for Dallas? Apartments, flats, group houses or a



WASHING NEED NOT BE A GRIND: These laundries with adjacent drying rooms will save housewives at University Homes, Atlanta, both time and money, leaving kitchens clear for other uses.

combination? How big were Negro families in Jacksonville, foreign-born workers' families in South Boston? The answers to these questions had to be predicated not only on existing conditions, but on the best informed predictions of future trends for sixty years.

Generally speaking, the projects in new or small cities and those on cheap land in large cities have been composed mostly of individual houses grouped in units of two, four, six, or eight. Each has its own yard, and the tenant (to quote a famous Harvard professor who lived on the top floor of a college dormitory) 'has no one above him but God and at least He is quiet!' In slum clearance projects on comparatively high-priced land, apartments have been mandatory in order to keep rents down. They have also been used in areas where local custom favours the apartment.

One of the most interesting phases of initiation was the investigation of family sizes. It is commonly supposed that slum families are larger than those which inhabit better neighbourhoods. To the extent that slums are populated by the foreign-born this is true, but the second generation of immigrants shows no larger index of size than the average for cities. And the lowest index of all, contrary to all belief, is found in the southern urban Negro family. Population studies made by the Bureau of Census and the American Academy of Political Science suggest a progressive diminution of family size along with an approach to stabilized population to be reached in the next 50 years or less. On the basis of these data the Housing Division did not feel justified in planning large units. Those in most projects range from two to five rooms. In counting rooms, baths are not included. Generally speaking, the range, from two to five rooms, is the difference between no bedroom and three bedrooms. Living room, kitchen, and bath are standard with one exception. For families with limited incomes a dining room now appears to be extravagant. At the most a family uses it no more than two hours a day but pays for it on a twenty-four hour basis. In many projects community laundries are provided.

The Housing Division determined to outlaw overcrowding, yet considered that a maximum occupancy of two persons per bedroom with one sleeping in the living room was permissible, even if not ideal. On this basis, a family of seven (which is well above

the average these days even for immigrant slum dwellers) could be accommodated in a five-room unit. Average occupancy of completed projects is about one person per room.

The distribution of dwelling units (how many of 2, 3, 4, and 5 rooms?) was based on samplings of population statistics drawn from census tracts containing the type of families it was proposed to house in each city. It is interesting to note that the average size of dwellings in the Housing Division projects ranges from 2.9 rooms in Birmingham's Smithfield Court built for Negroes to 4.1 rooms in Boston's Old Harbor Village, occupied largely by Catholic families of foreign extraction—Irish, Italian and Lithuanian. This range is not accidental, but was carefully planned to meet requirements.

It has been stressed that a community is more than an aggregation of homes. It is in addition, parks, playgrounds, stores, community buildings and schools. One of the first questions raised in the Branch of Initiation was this: how far could the Housing Division go toward providing these facilities? Was it justified, under the language of the Recovery Act ('construction, reconstruction, alteration or repair of low-cost housing and slum clearance projects') in building stores or community buildings? The Legal Branch gave its opinion to the effect that, legally, the Division could include such facilities. The question was thus reduced to one of expediency. Since 55 cents of each dollar spent must be repaid in sixty years with interest, every penny spent on community facilities necessarily was reflected in increased rents. Where, then, was the point of diminishing return, the point at which the burden of increased rent outweighed the advantage of increased amenity?

Stores were exempted from this deliberation since it was decided to offer no grant on their construction and to rent them at market prices. In other words, stores were planned to produce an operating profit which could be applied to reduce rents; yet the Division regarded the construction and operation of stores as an evil, necessary only in such areas as were inadequately equipped, and where it seemed unlikely that private initiative would supply them. Experience has shown, however, that the Housing Division

projects are magnets that irresistibly draw the essential commercial development to their borders. Although few existing projects contain stores, and then usually no more than three or four, in any future programme there would probably be none.

Formulation of policy was confined to non-revenue-producing facilities. Consulting with specialists from the Children's Bureau of the Department of Labor, sociologists and recreational directors, the initiators and members of the Management Branch established irreducible minima. They specified that every project should contain equipped play yards for all small children; playgrounds for older children; indoor play space for use in bad weather; social rooms equipped with kitchen equipment for adult gatherings; and work shop space in basements. Adjacent to the sites of many projects are municipal parks or playgrounds, or settlement houses. Where such facilities exist, those in the project have been reduced accordingly. The cost of providing and operating these minimal facilities has been small and the advantages created have more than offset the slightly increased rents.

In a number of cities municipal authorities or charitable organizations have offered to operate community facilities, provided that the Housing Division would install them. The elimination of operating expenses makes possible the construction of community buildings and clinics whose value to the projects is universally recognized.

In general the Housing Division has taken the position that tenant activities should be developed by the tenants themselves. It is a fundamental of human nature that no gift is as highly prized as that which a man gains by the sweat of his brow. Wherever possible the opportunity for a full life has been put within reach of the tenants, but they have been expected to seize and develop the opportunity themselves.

Adequacy of schools in project neighbourhoods has been a major concern. Proximity of adequate high schools was not considered essential since children in their teens could, if necessary, go a mile or two to their classes. It was essential, however, that children of grammar school age should have adequate schools within short walking distance.

At the time the Recovery Act was passed the school problem was already acute in hundreds of cities. Construction programmes had run far behind needs. In some cities children were required to go to school in two or even three daily shifts. A large percentage of schools was already antiquated. Consequently when the initiators of the Housing Division first went into the field they found very few sites with proper school facilities in the neighbourhood. Fortunately, Section 202 of the Recovery Act, which authorized the housing programme, also made it possible for cities to obtain loans and grants to resume their school building programmes. The Public Works Administration in conjunction with municipal authorities, was able to bring school facilities near project sites up to standard in a number of cities.

It would be untrue to state that this important problem has been solved in every project city. The Housing Division could take no action beyond exhortation in matters which were purely a local responsibility. The Division's representatives took every precaution to avoid aggravation of the problem where it already existed, and to prevent its creation where there was none. Whenever a site was proposed for a project by local sponsors, their first question was almost invariably, 'what are the school facilities in the neighbourhood?' A number of cities, such as some in Florida, had debt limitations which fixed the amount that could be spent on schools at a percentage of the value of real estate. They had built, during boom years, to an amount close to their limit. When the collapse of the land boom cut speculative property values in half, the value of these schools was far in excess of the statutory limit, and such cities were powerless to do anything. In cases of this type, the Housing Division was faced with the alternative of abandoning a given project or accepting the misfortune as unalterable. Need, both for housing and employment, seemed to outweigh the disadvantages and the Division went forward regardless, but with misgivings.

As early as July 1933, the Director called a meeting including such men as Harland Bartholomew, Jacob L. Crane, Jr., Russell Black, John Nolen, and L. Segoe, who were internationally famous for their work in city planning. These men were accustomed to

thinking in terms of the complete community, not merely of one or a dozen parts of it. At one time or another since, every one has been called in to advise on site selection and the relation of sites to a general city plan. They helped to write the original policies and to refine them as projects became crystallized.

Their first advice was: do nothing which does not conform to the established city plan. Now there are city plans—and city plans. On this subject the Director addressed the Annual Convention of the American City Planning Institute in Washington, 18 January 1936, as follows:

Acceptance by cities of city planning has been an arduous and long drawn out struggle . . . The opposition which is automatically aroused by any attempt, no matter how meritorious, to change a status quo has confined your tangible accomplishments to the creation of parks, civic plazas, highways, and similar projects . . . Yet your long struggle for recognition has given you a true appreciation of the wide gulf between what should be done to humanize our cities and what can be done in a materialistic world . . .

No more acute problem faces our cities today than the disposition of these (slum) areas and prevention of their further extension. Until the lid was clamped down on unrestricted immigration, the degeneration of blighted areas was neither so apparent nor so ominous . . . But, it seems evident that no further stimulants to the hothouse growth of our cities are discernible. This deceleration of growth must tend to aggravate the unhealthy conditions which prevail in our slums and blighted areas . . .

There is debate not only as to the advisability but as to the probability of a continuing outward movement of urban residential areas . . . Even if it is stopped completely today, and the central blighted and slum areas are subjected to major operations, it will be a long time before we can see evidence of a cure. In the Housing Division of PWA we have worked with two policies; first, slum clearance, and second, the construction of housing on suitable vacant land . . .

We are forced by the very nature of our work to confine our interest to those areas adapted to the rehousing of low income groups. Consequently, a large number now devoted to a housing use, but deemed unhealthy because of proximity to incompatible land uses, must be passed over. Insofar as public health is concerned, we are often forced to ignore the very areas which need clearance most because they are adjacent to industry or in the path of industrial development . . .

Countless areas now exist, however, that have degenerated from a once high class residential district to a tenement use. These areas, adjacent to commercial or unobjectionable industrial areas, are zoned to permit an extension of these activities. With their present zoning they are inadequate for resi-

dential use since they stand defenseless against encroachment. Rehabilitation is possible only if it is accompanied by zoning revision along realistic lines . . .

You cannot hope for comprehensive slum clearance until effective ordinances, not only enjoining the occupancy of unfit buildings, but requiring their elimination, are enacted and enforced . . .

Yet such checking, forward step that it is, has only a preventive virtue. It tears down nuisances but provides no reconstruction in their place. Central slum and blighted areas must be restored to a paying basis if municipal security is to be assured. As I have said, many of these areas have been so jeopardized for development by encroachment of industry that they should never be rehabilitated for a housing use. There remains the possibility of further industrial or commercial expansion which, however, cannot be counted on to absorb a majority of slum areas . . .

However, the most logical use for the major portion of these areas is, to my mind, low rent housing. Their central location guarantees to low income workers proximity to work and relief from transportation problems. At present, land costs are high and must be written off to considerable degree by subsidy if ultimate rents are to be within the means of workers. Land prices are still too high to be compatible with the intended use. But these prices have been pegged by speculative hope which after six years without sign of fulfillment must be on the wane. It may still be some time before prices are shaken down to a reasonable level but I can see no escape from its inevitability.

The city plans of thirty years ago (and there are many of them, yellowing with age in gilt frames on a mayor's office wall) were very pretty with their intricate patterns and looked like snowflakes under a microscope. But, few were based on anything more profound than their authors' desire to create landscaped parks and boulevards, and even these were realized only in part.

It is probably fortunate that most of these plans died stillborn, for the city planners of today work on a totally different level of purpose. They recognize that development of a city can not be directed by mandate, but that its movement *can* be controlled by careful planning.

The advance, forced largely by the depression, from methods based on hunches to those based on reality is a salutary one. It would indeed be tragic if the hysteria of another real estate boom like that of the 1920's should wipe out these gains, for urban development founded in careful analysis must reduce the margin of

error that precipitates foreclosure, bankruptcy, and the creeping paralysis of slums.

Yet, no matter how reasonably one may plan, there is one constant unknown factor which may upset any housing equation. This is land. Its availability and price are governed by laws that transcend all reason.

CHAPTER IV

TWELVE HUNDRED ACRES: THREE THOUSAND LOTS

THE search for the site of a housing project has to be prosecuted carefully and circumspectly. If there is advance notice that a particular site is even being considered, it is almost inevitable that we will have to abandon it and start looking for another one all over again. That objectionable person, the real estate speculator, on the least suspicion, will start to acquire options within the site under consideration if he has any intimation of its location. . . . The result is that in our search for sites we literally have to go on tiptoes through the various cities, holding our breath, and hoping against hope that we will be able to option or buy the property desired, or at least start condemnation proceedings, before these precious speculators know what we are about. This means slow work. It means hard work, and it means, most of all, that we must have trustworthy employees and associates if we are to put our program across.

THIS statement, taken from an address of Administrator Ickes at Atlanta in 1934, summarizes the difficulties encountered by the Land Acquisition Branch of the Housing Division.

To the credit of his 'trustworthy associates' it must be said that no faintest suggestion of incompetence or irregularity was made in the purchase of more than 1,200 acres of real estate of a value of \$23,000,000. Composed of about twenty mature, responsible men, most of whom were members either of the National Association of Real Estate Boards or the American Institute of Real Estate Appraisers, or both, the Branch in less than two years completed the largest assemblage of urban land by one organization in the history of the United States. The area of the 3,785 parcels acquired would provide a four lane highway from New York to Washington.

The technique used for all land acquisition in the Housing Division's programme was as follows:

Sites recommended by sponsors were tentatively selected by

initiators on the basis of desirability. However, no site was considered unless a member of the land acquisition staff believed that it could be assembled, and at a reasonable price. Such a belief was founded on assessed values, recent sales of similar or adjacent property, and opinion based on experience. If the land man concurred in the initiator's choice, he then proceeded to obtain a detailed opinion of value in this manner. From the president of the local Real Estate Board he obtained recommendations of the best qualified local land appraisers. Such men were thoroughly investigated for integrity and ability. From those who passed such a test, the Housing Division representative selected the two who seemed best qualified. These two, sworn to secrecy, were appointed and given a contract to make wholly independent appraisals of every parcel of land in the proposed site.

At the same time, the Housing Division representative looked up the best qualified surveyors and title companies in the city and asked them to submit competitive bids for the work of surveying and searching titles for each parcel. The low bidder in each case was chosen.

Surveyors, accustomed to regularity in their work, discovered most curious conditions in the slums. In Minneapolis, they found overlapping lots where Mr. A's house was half on Mr. B's lot, and vice versa. In Jacksonville, Florida, they turned up a number of sizeable triangular plots which apparently belonged to no one at all. In Memphis, a Mr. C lived in, and owned a house, that was not within 50 yards of the lot to which he held title.

So, too, with the title companies' work. In Birmingham, for instance, a key property desired by the Housing Division was owned by a large branch of the Sons-and-Daughters-of-I-will-Arise Lodge. To save expense, the 'Sons and Daughters' had neglected to incorporate. Ownership of the property was thus shared equally by some 200 parties (subject to payment of dues) and no transfer could be effected without approval of every member. Some had left town and others had completely disappeared. And, in the meanwhile, carpenters, bricklayers, etc. for whose benefit an emergency relief programme had been instituted, sat on their tool boxes and waited for relief. But, despite maddening and

unavoidable delay, surveys and title searches were eventually completed and the next steps could be taken.

With a complete record of location, dimensions, area, ownership, and value of every parcel desired, the Housing Division representative was ready to start acquisition. In most cases he needed an intermediary to carry on negotiations with owners and, for that purpose, appointed recommended local realtors on a commission basis to obtain options. From examination of the appraisals the Housing Division representative established a price for each parcel, which was given to the negotiator as the maximum figure he was authorized to offer. In many cases, of course, the negotiator was unable to secure an option at the price given him by the Housing Division. He was then authorized to raise his offer, if necessary, to an amount in excess of the individual appraisal, but, in no case, could the price offered for one parcel be unduly high, nor could the total in any acquisition of land exceed the total appraisal, plus a slight predetermined allowance for 'assemblage.' No matter what methods are used, it is virtually impossible to keep secret the fact that the Government is buying land. The first quarter of a slum site may be acquired with ease, but soon the news gets around and prices 'stiffen up.' Within reason, this is to be expected and is accepted as inevitable. Hence the allowance for 'assemblage.'

When satisfactory options had been secured on every parcel of a site, the Housing Division sent lawyers into the field to complete the transactions and pay off owners. In general then this was the procedure. Any number of variations on the theme were tried—practically all of which were intended to accelerate an unavoidably protracted procedure.

The first and most important variant was the use of eminent domain. The Recovery Act authorized the President 'through the Administrator . . . to acquire by purchase or by exercise of the power of eminent domain, any real . . . property in connection with the construction of any . . . project.' The Housing Division regarded this right as essential to the success of any slum clearance project. First, of course, was the use of this right to ward off exploitation or sabotage of projects. Because slum properties are usually held in a number of small ownerships, it would have been

possible for a single owner, whose property was strategically located, to dictate his own terms of sale, or even to block the whole project if he did not choose to sell at any price. At first the Housing Division believed that the greatest use of the right of eminent domain would be to forestall such opposition. It is true that in the cases where it was successfully invoked, a percentage—perhaps 15 per cent—of the suits were based on either extortionate demands or refusal to sell. On the whole, however, representatives of the Housing Division have stated their belief that the first class of owners were playing a poker game, and that their bluff could have been called in time and in a pacific manner.

Most residential property in slum areas is held by two classes: (a) absentee owners operating the property in hope (at least) of a profit, and (b) resident owners with small holdings. In 1933-35, most absentee owners were at best making no more than taxes and were glad to receive a fair price for their property. Many resident owners had bought into neighbourhoods before they had been reduced to the status of slums. They longed to break away and move to new and 'respectable' districts. Such owners were ecstatic sellers, particularly when—as so often happened—they had been obliged to starve themselves in order to meet mortgage payments.

But, in most slum areas, there is some industrial or commercial property which no amount of 'jig-saw-puzzle' juggling of blocks and property can avoid. For instance, in the New York area now occupied by Williamsburg Houses there was a large and prosperous dye works which had to be acquired if the project were to be successful. Other site areas were sprinkled with small two-story neighbourhood stores in which the owner living over his store had made his whole livelihood from his slum neighbours. The Housing Division in setting a value on such properties—and particularly the neighbourhood store—tried to give full weight to the intangible of 'good will'. Yet, stretch the point as they would, owners not infrequently differed in their opinion of value by amounts which resembled the national debt.

A few owners questioned the constitutionality of the National Industrial Recovery Act's granting of the right of eminent domain. It is significant that, almost without exception, these were gentle-

men who had previously been willing to waive the constitutional issue at their own generously computed price. Not until the Housing Division refused to be party to their interests did they develop concern for the people's rights.

Yet such obstacles to the acquisition of sites constituted at the outside no more than 15 per cent of the cases wherein the right of eminent domain was imperatively needed. The overwhelming majority involved clearance of title. Probably more than 50 per cent of titles in slum areas are clouded. Where the areas started as slums the definition of property is hazy. They had been settled by squatters who did not bother to record their ownership but were satisfied to mark the limits of their land by a 'clump of willows, the creek, that ol, jagged boulder and the hayrick'. After a century or two such boundaries are no longer reliable, and, even if the record of ownership is reasonably clear, no one knows just where the property begins or ends.

Where the areas were good neighbourhoods which had deteriorated, many properties were sold to slum dwellers with little or no knowledge of the law of property. They would sell a part interest in their holdings without recording it, or would die without making a will, leaving any number of heirs. When the Housing Division lawyers came to buy such property they found themselves confronted with an infinite number of disputatious persons, all claiming a share of the proceeds. Or worse still, they found that apparent owners or part owners had 'gone off somewhere' and could not be located.

Again, much property was owned by estates or minors and a court order was necessary before titles could be transferred. When they applied to the courts, the Housing Division lawyers sometimes found them to be recessed for the summer, or they were forced to place the cases at the very end of interminable dockets.

By the exercise of condemnation, the Housing Division was able to take clear title to such disputed properties, could place the purchase money in escrow, and allow apparent owners to fight out their claims at the leisure of the courts. The time saved—as subsequent bitter experience proved only too clearly—ranged from three months to two years. It was primarily to avoid such delays and



WHISKY ISLAND IS NO MORE: This notorious slum is wiped out by Lakeview Terrace, PWA Housing Project, an example of reclamation in a central slum area. Cleveland's business centre in the background.

title difficulties, which not infrequently are so involved as to thwart slum clearance completely, that the Housing Division used the right of eminent domain, and *any* public authority in the United States must have it if it is to undertake slum clearance.

There has been much criticism of the use of condemnation in connection with public housing. Justification was said to be found in the welfare clause of the Constitution, but opponents of public housing maintained that it constituted confiscation without due process.

It is not our purpose to attempt to define 'public welfare' but merely to note that the term bears a fluid connotation which changes with the times. For approximately one year (1934-35) the Housing Division condemned sites, two in Atlanta, Georgia; two in Montgomery, Alabama; three in Cleveland, Ohio; and one in Indianapolis, Indiana. The condemnation cases involved a total of 931 parcels of land and nearly 1,400 owners, any one of whom could have protested such action. Yet, because virtually all of the owners were 'little people' with whom the Housing Division dealt fairly, not a single protest was raised.

The condemnation of one parcel of land in Louisville, Kentucky, late in 1934, caused a serious, though temporary setback to the programme. The story of that incident has not hitherto been related. But even if it is water well over the dam, it is told here for its historical and social significance.

Early in 1934, a committee of Louisville businessmen, city planners, and the mayor, submitted to the Housing Division an excellent application for a slum clearance housing project. The press and public opinion were solidly behind the proposed project. In fact, there was, in the early stages, no vestige of opposition.

The site, selected jointly by the local sponsors and the Housing Division, comprised 120 parcels in one of the worst slums in the city. Following its usual procedure, the Housing Division had appraisals made by competent local realtors; in fact, by the two local outstanding experts, both members of the American Institute of Real Estate Appraisers and the Louisville Real Estate Board. These men were instructed to ignore 'distress prices' which could have been obtained at such a time and to place on the prop-

erties a full, normal value. Approximately 110 owners of the 120 were sufficiently satisfied with the amounts offered to sign options. Nine others were not wholly convinced but were willing to negotiate.

One owner expressed definite interest in selling but set his price far above the appraisals. This gentleman, a prosperous absentee landlord, rented out a store with apartments above, as an investment. His property, was by the measure of the slum neighbourhood, better than many, but definitely sub-standard.

In order to expedite the work of acquisition, the Housing Division representative offered this gentleman a price in excess of the fair appraisal; he reduced his asking price slightly, but the gulf was still unjustifiably great.

The Housing Division representative, realizing that this poker game could go on indefinitely while the intended beneficiaries of the programme went hungry, called a halt by advising a condemnation of the whole area. The purpose was primarily to expedite title clearance and, secondly, to permit the court to fix a price for one parcel, on which the two interested parties could not seem to agree.

At this point the 'people's rights' were injected by a lawyer who had previously had no connection with the project. 'Learned Counsel' approached all property owners who had not signed options with an offer to represent their interests by fighting the condemnation. Only one, the absentee landlord, fell in with the lawyer's proposal and authorized him to meet with the Housing Division representative and outline his simple plan. Either the Housing Division would meet the absentee landlord's price, or his lawyer would oppose the condemnation on the ground that housing was not a 'public use' and, therefore, the Housing Division had no constitutional right to condemn land.

The Housing Division representative declined again to pay what, not only he, but the best qualified appraisers in Louisville considered an exorbitant price. 'Learned Counsel' thereupon made good his threat and the case was called for presentation before Judge Dawson in the District Court of the United States for the Western District of Kentucky.

At a hearing on 20 December 1934, 'Learned Counsel' filed the

following demurrer in support of oral argument (Italics are ours):

There is no question concerning the rights of the Government to condemn property; *no question of the right of the Emergency Administrator to prosecute this action under the Act of June 16, 1933 . . .*

The right of eminent domain is inherent in the Federal Government, subject only for the purposes of this action, to restrictions imposed in the 5th Amendment (due process of law). *As the question of compensation is not involved*, the whole subject narrows down to a proper construction of the words 'Public Use' and the consideration of the question of the right of the Government to enter into the conduct of a private business not authorized by the Constitution and in competition with private property owners engaged in the same business in the same neighborhood . . .

What wrong has the defendant done, or wherein is it alleged that he has done, in this case to justify his expulsion from these premises? . . . The Government says to him, 'No matter how much money you have invested in your house, get out, we are going to tear your house down, rebuild a low-cost house and rent it or sell it to John Smith' . . .

Many of the residents of the territory involved have lived in the same dwellings for the period of from 40 to 50 years. If old buildings constitute a slum, then old age is a disgrace. The present Capitol building of the United States was erected and occupied long before the plans for any of these residences were even dreamed of.

The question involved is whether these people may be evicted from their legal homes in order that the housing commissioner may be enabled to lend physical aid in trying out the unknown and speculative workings of a novel social experiment, and these gentlemen maintain that in order to enable the Government to do this revolutionary thing our Constitution was written.

In conclusion I wish to bespeak the Court such a serious consideration . . . as will keep before your Honor's mind, the . . . cost of this Constitution to our people and whether or not its provisions shall remain for the protection of our children, as it has for those who have gone before us.

The attorney's eloquent concern for the 'people's rights' would be wholly convincing if we did not know that more than 90 per cent of the 'residents of the territory' to whom he refers were delighted at the prospect of 'eviction.' It would ring truer if the Housing Division files did not contain scores of pathetic letters (inspired by the fact that Judge Dawson sustained the demurrer) of which the following from a property owner in the site area is typical:

Dear Mr. Ickes:

Would like for you to let me know what they are going to do about the

slums down here. I lost a good tenant through this it's going on the fourth month that it is empty and my home is not paid for. I am alone and I can't afford it . . .

On 4 January 1935, Judge Dawson handed down the following opinion, denying the Housing Division's petition to condemn:

. . . The language of the Statute (The Recovery Act) forces one to the conclusion that the proposed buildings are to be constructed for the use of those private individuals who may be selected by the agencies of the Government for their enjoyment . . . Therefore, the buildings proposed to be constructed are not to be devoted to a public use, in the sense that they are to be used to house legitimate governmental activities nor are they to be devoted to a public use in the sense that the Statute makes them available as a matter of right and upon equal terms to all the public or any part thereof . . . For the reasons stated I am forced to conclude that no power resides in the National Government to condemn the property here involved for the purpose for which it is intended.

The question involved: Is public housing in the interest of general welfare?, is not purely legal. Necessarily, therefore, the judge who is called on to interpret this clause of the Constitution falls back to some extent on his personal social philosophy. Since he may cite voluminous records to support any point of view, his personal and emotional bias cannot be eliminated. Without questioning Judge Dawson's jurisdiction or the legal worth of his decision, it still is important to examine, if only in passing, the roots of his social philosophy. It is sufficient to note that, shortly after rendering his epochal decision, Judge Dawson retired to private practice. He made nation-wide news on the evening of 25 January 1936, when the Liberty League convened in starch and satin in Washington to consider the nature of liberty and the tyranny of the New Deal. Over a nation-wide radio hook-up the Judge revealed his theory of society as follows:

The issue is not whether the Constitution shall be amended but whether it shall be destroyed. That issue must be met and the outcome will determine whether we are to continue to enjoy a government of laws and not of men or shall have foisted on us an Americanized copy of Old World dictatorship. With every art known to the demagogue, the avarice of the unsuccessful and the unfortunate will be appealed to through the advocacy of impractical and extravagant and unconstitutional schemes to take from those who have and bestow upon those who have not. Those Federal judges who had an opportunity, as I did, to observe these . . . tactics could reasonably come to no other conclusion than that they were a part of a deliberate conspiracy on the part

of those in power to continue their usurpation of power without judicial rebuke as long as possible.

It is not surprising, therefore, that, operating in a field where personal opinion carried so much weight, this mind should not agree with the Housing Division's argument.

This decision has been discussed at length, not because it thwarted the taking of one parcel of land in Louisville, Kentucky, but for the disastrous effect it had on the whole PWA housing programme. From Boston to New Orleans, from Minneapolis to Miami, virtually every project contemplated by the Housing Division was immediately affected.

Of course this decision was effective only in the Louisville area but Housing Division lawyers realized that it established a precedent—in fact, the only precedent in the country—for similar decisions in other Federal districts. In cities where the Housing Division had already filed condemnation, it provoked a wave of demurrs filed by enterprising counsel.

The Housing Division and Department of Justice lawyers immediately filed an appeal of the decision to the Circuit Court of Appeals in Cincinnati. The case was set for argument on 16 May 1935.

Meanwhile, all work on land acquisition was necessarily suspended. The results of such suspension were many, varied, and unfortunate. In many cases the Housing Division had virtually 100 per cent options on a site, good for 90 or 120 days. The delay caused these options to lapse and when, several months later, negotiators attempted to re-option the properties, they found the owners blandly asking two or three times the former option price. In Boston, a whole site had been condemned and tenants of tenements or boarding houses had moved out in the belief that these buildings would soon be torn down. Most of the owners waited patiently for months to be paid off (on a basis which had been satisfactory to them). When the Housing Division had finally to withdraw its condemnation, it attempted to option this site in the regular manner. Enough owners in key positions skyrocketed their asking prices so as to make it impossible to acquire the site and the Housing Division was forced, reluctantly, to abandon it. The loss

to the majority of owners who had been co-operative was so serious that Congressman McCormack of Massachusetts sponsored a bill in Congress to compensate them. The Housing Division was flooded with heart-rending letters (similar to the one from Louisville recently quoted) from dozens of cities. The only answer possible to such letters—‘we sympathize deeply with your misfortune and will do all in our power to assuage it when possible’—paid no grocery bills, nor did it replace departed tenants. As if these were not enough burdens to bear, the press began again to snipe at the Housing Division. The words ‘procrastination’, ‘red tape’ and ‘inefficiency’ laid away for a year, were dusted off and bandied about once more.

On 15 July 1935, the United States Circuit Court of Appeals for the Sixth Circuit upheld Judge Dawson’s decision by a 2 to 1 vote, Judge Florence Allen dissenting. Although the case was appealed to the Supreme Court, the appeal was eventually dismissed by the Government.

From a practical standpoint the use of condemnation in land acquisition was abandoned by the Housing Division on 4 January 1935. This is not to say that the issue was dead, however. Much of the argument in the Louisville case and the Cincinnati appeal revolved about the propriety of the Federal Government condemning land within the jurisdiction of states. The decisions rendered did not apply to, nor did they mention, the right of local authorities to use the same power. Practically every State Housing Authorities Act now gives the local authorities the right of eminent domain.

In assembling a site for First Houses, New York, the New York City Housing Authority had need to condemn several parcels. A demurrer was filed by the defendant and the case was argued in the New York Supreme Court. On 12 April 1935, Judge McLaughlin upheld the Housing Authority’s right to condemn in the following words:

... In few of the cases where condemnation has been allowed has there been any opportunity or right of 100 per cent of the people to the unrestricted use of the land. . . . Is it unconstitutional to condemn land for a hospital for the indigent because the millionaire will not be accommodated at all or only for pay? Is that taking private property for a private use when it is taken for the use of the poor? . . . That the land covered by this

petition is to be used by a limited portion of the public is without question. The Court holds nevertheless that the use here is a public use, i.e., to abolish disease-breeding slums for the benefit of all the people of the State and to furnish a limited portion of the public living quarters which will prevent disease.

The defendant appealed to the Court of Appeals, highest in the state where, on 17 March 1936, Judge Crouch confirmed the lower Court's decision in even more forceful language. He said:

. . . The fundamental purpose of Government is to protect the health, safety and general welfare of the public . . . Its power plant for the purpose consists of the power of taxation, the police power and the power of eminent domain. The menace of the slums in New York City has been long recognized as serious enough to warrant public action. The Session Laws for nearly seventy years past are sprinkled with Acts applying the taxing power and the police power in attempts to cure or check it. The slums still stand. The menace still exists. What objections, then, can be urged to the application of the third power, least drastic, but, as here embodied, probably the most effective of all?

. . . In a matter of far-reaching public concern, the public is seeking to take the defendant's property and to administer it as part of a project conceived and to be carried out in its own interest and for its own protection. That is a public benefit and therefore at least as far as this case is concerned, a public use.

Gradually a body of state decision is being built up in support of the New York opinions. On 19 February 1937, the Court of Appeals of Kentucky, quoting copiously from Judge Crouch (and too, Judge Dawson) upheld the right of housing authorities in Kentucky to condemn land.

The New York decision of Judge McLaughlin had an immediate value to the Housing Division which, at the time, was attempting to assemble sites for the Williamsburg Houses and Harlem River Houses projects. The New York City Housing Authority proceeded to condemn such parcels as could not be acquired in friendly negotiation and conveyed them to the United States.

Outside of New York, however, these favourable decisions were valuable only for precedent, when, as, or if, cases similar to that in Kentucky arose. They meant nothing insofar as the right of the Federal Government to condemn land in Memphis or Boston was concerned.

Immediately after the Louisville decision, the Director issued

new instructions to initiators and land acquirers. On field trips henceforth they were to make a tentative selection of two sites, one on slum property, one on vacant land. They were to pass over all slum sites where obvious obstacles to acquisition were found—factories, high percentage of home ownership, etc. They were to make no commitments of any kind until the appeal in the Circuit Court was decided.

It is necessary to digress for a moment from the detailed problems of land acquisition and to glance at the broader scene of the whole relief programme. Federal relief, begun under the Recovery Act of 1933, was extended 8 April 1935, when the President signed the Emergency Relief Appropriation Act of 1935. This Act appropriated \$450,000,000 for 'housing' without specifying how it should be spent or what agencies should do the spending. The President rightly had put a premium on speed when he promised to take 3,500,000 men off the dole by the end of the year. Work relief, a single-minded, high-pressure concentration on putting men to work, was the key-note of the programme.

No other consideration could take either precedence or even equal rank. Naturally, the Works Progress Administration type of project—roads, surveys, etc.—could be organized and put into motion much more rapidly than housing projects. In the interest of speedy relief, the Housing Division was forced to streamline its procedure.

The Circuit Court's decision on 15 July 1935, sounded a death knell to any further slum clearance work by the Housing Division—with one exception. If negotiators in project cities could, by themselves and on their own responsibility, produce satisfactory options backed by clear titles within 60 days, the Housing Division was willing to consider their projects. The conditions were such that few local realtors could afford such a gamble, nor could one blame them. However, gallant little groups of men in Memphis, Chicago, and Toledo worked feverishly against the deadline and succeeded triumphantly.

On the whole, however, there was not time, even had the authority been unquestioned, to grind a condemnation proceeding through the slow moving machinery of the courts. Action was

imperative. The only sites that could be considered were those in a few, willing and reasonable ownerships with clear title. Such specifications almost inevitably were realized only in vacant out-lying land. From the standpoint of housing slum dwellers, it makes little difference whether a project be built on cleared or vacant sites.

But the enforced new policy aroused a furore in the cities. 'Slum clearance' had been a saleable product approved by slum dweller and millionaire alike. 'Housing,' however, was something else.

While the cities buzzed *pro* and *con*, initiators and land acquirers had to make a new approach to site selection. Instead of proceeding directly to the heart of the worst slums and there developing their project, they were forced to begin by asking 'what land is available?' In less time than it takes to tell, every owner in the city was galloping to Housing Division headquarters with a plot and sales talk. River-front vacant land was offered for a song by a gentleman in one city. The location was excellent, and the Housing Division representatives could not understand why the price was so low or why it had never been developed before. Suspicious, they made extensive investigation to learn that the river was tidal and several times a year flooded this property.

Although suggestions for personal gain had been frequently offered to members of the Branch of Land Acquisition during the early days of the programme, they were as crumbs compared with the manna held out in 1935 by owners of vacant land. The bland and open manner in which some of these bribes were offered is a curious commentary on ethics. One man, acting as agent for a large (but thoroughly frozen) property owner in a middle western city, came to Washington to suggest that the Housing Division representative (an acquaintance of long standing) should inform him in advance what area was under consideration in that city. He would then trade comparable but slightly better holdings of his employer for those of property owners in the selected area. When the Housing Division came to buy in this area he would sell his new holdings gratefully at whatever price was offered and no questions asked, thereby thawing out his employer's frozen assets. Offered in complete sincerity, this was to be a neat trick by which everyone would benefit and no one would lose. The only

obstacle to great and mutual benefit was the Housing Division representative's sense of the proprieties: He said 'No!'

In another city where assessed values were comparatively high, the Housing Division offered a property owner somewhat less than the assessed value for his land. He made a counter offer—if the Housing Division representative 'could see his way' to offering the full assessed value, he (the property owner) would refund half the difference in the two prices. Since the assessed value was less than the appraisal made on this property, and since the Housing Division was authorized to pay as much as the appraised value, the Housing Division representative could have acceded without fear of detection. One member of the Land Acquisition Branch has stated 'off the record' that he could have made \$30,000 in the assemblage on one site by fixing prices in this manner.

Although the Housing Division could not assume responsibility for what owners did with their money, there were a few instances of graft (and the Housing Division has complete records of nearly every case) in the disposition of payment made for land. In one city, for instance, an alderman who proposed to run for mayor interested himself in the project. When questioned by the Housing Division representatives concerning his motive, he stated that his only purpose was to facilitate the development in order to have a campaign issue. This man, suspect from the start, hovered about but had no influence whatsoever in obtaining the project; yet, when the site had been bought and paid for, it was disclosed that the owner of the largest parcel had paid the alderman \$19,000 'for legal services rendered.' In such cases the Housing Division had no jurisdiction, and could only advise the owner *ex post facto* that no service had been rendered and that he had been unwise to make such a payment.

In several cities enterprising gentlemen sought to obtain options from owners in areas which they believed the Government might consider. A few of them by wilful misrepresentation, stating either that they represented the Government, or that, if gullible owners did not sign up, the Government would take their land away, ran foul of the Department of Justice. When they were confronted

with the possibility of prosecution for violation of Federal statutes, they desisted—and rapidly. Even where these gentlemen kept within the law, they were making long-shot bets, since the Housing Division had a choice of many sites and they were able to control no more than one or two small areas. Invariably they were left holding the bag with considerable waste of time, effort, and whatever money they had paid out to secure options.

The customary methods of assembling land, and those which in the long run proved to be the most effective, have been discussed in detail. This chapter would not be complete, however, without description of one experiment whose validity has yet to be thoroughly established.

The negotiator employed by the Housing Division in Cincinnati had successfully purchased for the city all property necessary to construct a boulevard and plaza before the new railroad terminal. The method, which he had used in this purchase, and subsequently for assembling the site of Laurel Homes, PWA's housing project, was as follows: Subsequent to the completion of appraisals the negotiator sent invitations to every property owner affected to attend a mass meeting. There he explained fully the purpose of the housing project, why the Government wanted these particular properties, what the project would mean to the city—in other words he laid his cards face up on the table. He announced that as each property owner left the meeting he would be handed a sealed envelope with an option form enclosed, stating the price the Government would offer for the property involved. During the mass meeting he welcomed questions, and added that he would be glad to discuss in private any specific transaction.

The virtue of this method was to induce a confidence and will to co-operate on the part of owners. Its potential defect was to crystallize immediately whatever opposition might develop. In Cincinnati, with its long-standing tradition for municipal integrity, this method was reasonably successful. Yet the Housing Division early developed (with good reason) sufficient skepticism to decide against using it in cities where the negotiator was less well known, or the standard of municipal administration was lower. In theory,

it is probably the fairest method of assembling land for housing projects. In practice it is, unfortunately, applicable only under the most propitious circumstances.

The prices paid for sites by the Housing Division varied from \$4.30 per square foot in the congested Williamsburg area in New York to \$.004 per square foot on the outskirts of Miami. The average for the whole programme was \$.44 per square foot.

At one time or another the press and public have severely criticized the Housing Division for the prices paid on specific projects, particularly those in slum areas. Such criticism applied no more to the Housing Division than it would to the municipal authorities in these cities. While it is theoretically true that there is no sound reason for remuneration of owners whose tenements or shacks are uninhabitable, the practical reply to such contentions is: 'How else can you expect to acquire them?' In England it is provided by law that dwellings pronounced unfit for habitation have no value and must be removed without compensation to the owner. But in this country every city places some assessed value on property and collects taxes on such values, no matter what the condition of the property. It is not possible for any private or public agency to deny value which has been sanctioned by law. In a slum clearance project this is, of course, only a nuisance value, for the buildings, no matter what their cost, are useless in reclamation of the area.

The Administrator, as early as 1933, determined that certain slum areas, such as the Lower East Side of New York where assessed values indicated buying prices of nearly \$20 per square foot, were untouchable. The prices paid for the New York sites, \$4.30 per square foot in Williamsburg, and \$3.66 per square foot in Harlem, would be fantastic in any other city, yet they would be almost impossible to match anywhere in the built-up areas of New York.

The Administrator, familiar with the inflation of land values under the limited dividend programme, realized at the outset of the federal programme that nothing would be more subject to criticism and charges of scandal than the prices paid for land. For that reason he determined to place responsibility for fixing those values on competent, honest, local appraisers. One of the first orders published after the Division began its direct construction pro-

gramme was called 'Instructions to Appraisers,' from which we quote briefly:

Appraisals are intended to serve as indicating the price which the United States Government would be justified in paying for such real estate. The first obligation of the appraisers, therefore, is to protect the interests of the United States Government. The appraised value of parcels of land to be appraised should be the reasonable price at which a willing purchaser might obtain the property from a willing seller for cash.

In determining this value, the average price at which similar properties in the same vicinity can be purchased at the present time should be taken into consideration, without regard to any speculative elements or values with reference to the land or to the structures thereon.

Thus values were set wholly independently of the Housing Division. Appraisers in every city were reputable and competent men. Housing Division land men were authorized to pay up to, but not in excess of, aggregate appraisals for each site.

It is interesting to note that in a total of 3,785 individual transactions involving 1,203.8 acres, \$22,801,290 were paid for land, and that this amount was \$1,034,005 under the total appraised value. Nearly 3,000 of these transactions were completed without condemnation, though impeded by all the hundreds of legal complications possible in less than two years, almost entirely by a staff of about twenty men.

Land acquisition for public housing projects will remain the most difficult and dangerous phase of their development so long as the present attitude toward property values is maintained. The record of municipal land acquisition for streets, etc. is, on the whole, none too creditable. But if public housing is to be successfully undertaken by its logical sponsors, the municipalities, this problem must be handled on a far higher level of intelligence and probity than has characterized municipal land buying in the past. Otherwise the whole movement may be jeopardized.

CHAPTER V

ACTIONS AND REACTIONS

THE theme of public relations has so far been heard only as contrapuntal to the development of projects. Now it is to emerge as a major theme in the composition. It has three distinct, yet interwoven, parts; relations with the Nation, the public in cities, and the sponsors of projects.

Many persons, attempting to visualize not only the United States Government, but also such a single agency as the Housing Division, conjure up a vague picture of an impersonal, imperturbable, soulless, abstruse, inefficient, wilful being which, for want of a more concrete designation, they label 'Washington.' 'Washington does this or refuses to do that.' It is as if the Government were a *deus ex machina*, far less human than a newspaper press which gobbles paper at one end and, with whirring and clanking, spews out news at the other.

The public housing programme had been pictured to an extraordinarily large percentage of the public in 1934 as a cruel device turned out heartlessly, as a machine makes shells. People did not recognize that the Government (in this instance that part of it known as the Housing Division of the Public Works Administration) was no more than an instrument of the people created by the will of the majority to carry out its expressed desire. The notion of public housing has developed slowly over centuries, gathering to it irrefutable evidence of a need which could be supplied in no other way. The inevitability of such a programme was not something which sprang spontaneously from the brain of a bureaucracy, as so many critics liked to suggest. It was the product of long evolution, of trial and rejection, which was given birth, simply because the times produced (as they always do) men who could deliver this issue of progress.

There has been criticism of the administration of the housing

programme and, in some instances, justly so: for, as long as such work is subject to man's decision, mistakes will be made. Yet it is surprising to read that, in 1933, with the exception of a few newspapers such as those of New York, Cleveland, and one or two other cities, the articulate public was bitterly opposed even to the objectives of the programme. Those who were to benefit, the workers who built the projects and those who as tenants were to have a decent home for the first time in their lives, were not organized, nor were they articulate. Only in the overwhelming anonymity of their votes, could they indicate their approval of the philosophy of the plan which promised to provide them with work and homes. To the Housing Division, the voice of the Nation was a voice of protest.

The limited dividend programme, as it was imperfectly understood by the country, gained some acceptance from those who made themselves heard because it seemed to offer aid to private enterprise. But its abandonment and the announcement of direct Federal construction unleashed a torrent of objections which ran the gamut from predictions of immediate ruin to downright abuse.

Here are a few sample headlines:

U. S. HOUSING SEEN AS PERIL
CHARGES HOUSING PLAN IS SOCIALISM
SUES TO BALK HOUSING PLAN
REALTORS FIND DANGERS IN U. S. HOUSING
PLANS

And letters:

I do hope you can prevent Secretary Ickes from doing the thing that will ruin all of us home owners . . .

. . . Demoralize the mortgage financial field—difficult to understand—no need.

20,000,000 home owners will not enjoy your plans to destroy about all they have left.

The list of indictments is long and need not be cited in full, but we should do the opposition a grave injustice if we failed to quote the opinion (authenticity unconditionally guaranteed) of Mr. Elmer B——— of New Jersey, who knows what he likes and makes no bones of it:

Sec'ty Ikes:

You stated you was pinchhitting for private capital why man your crazy you was mearly fanning the air with a hole in your bat.

Brother, your tooten up the wrong alley this time you had better get the President to let you buy a nice big new jigsaw puzzle.

Very truly yours,

ELMER B-----

Examination of these protests showed most of them to fall into one of two distinct categories; first, the class of persons, realtors, building and loan societies, mortgage bankers, and property owners who frankly feared that their investments would be jeopardized by the programme; second, a more subtle group who raised the charges of radicalism, regimentation, or class favouritism. The latter type of protest when sifted was usually found to be based on the same instinct as the first,—fear of personal financial loss. The method has been illustrated in the history of the Louisville case.

To all these protests the Administrator and his associates reiterated the Housing Division's often stated policy that the programme would never compete with legitimate private enterprise, and that no activity of residential building, finance, or operation in its normal field would be hurt in any way.

The Administrator set up at the outset a Division of Press Relations for the dissemination of factual news about PWA and its Housing Division. Education and promotion were considered beyond this province. With a small staff it was not possible to flood the country with the gospel of housing, and, as a consequence, many false impressions, chiefly actuated by fear, circulated.

Addresses, particularly radio speeches and official statements, have in time served to correct some of the misinformation, but it has been a long and hard job. It has only been within the past year when projects were completed and occupied that the 'viewers with alarm' have ceased to tremble in anticipation of fast approaching doom.

As early as 4 September 1933, Administrator Ickes stated:

The mere suggestion that the Government is taking active interest in any kind of housing rouses the fears of certain persons who believe that such Government interest constitutes a danger to private interests. They fear that



BOSTON, OLD AND NEW: In the middle distance Old Harbor Village, PWA Housing Project, bordering on Columbus Park with its beaches, tennis courts and ball fields.

Government aid means driving enterprise out of business. Nothing could be further from the truth.

When the short-lived Public Works Emergency Housing Corporation was established, the Administrator, on 2 November, gave public reassurance that direct Federal construction would not encroach upon the legitimate field of private enterprise.

Over a nation-wide hook-up under the auspices of the National Radio Forum on 18 November 1935, the Director not only reiterated the Housing Division's representation to the realtors but was, by that time, able to cite figures based on nearly completed projects to prove that the PWA housing programme was a definite boon to local real estate activity.

Fear of unfair competition was virtually laid to rest by the first of 1936, but, soon after, it was dusted off and pressed into service again as a minor campaign issue. Following the election of 1936 it was returned to the attic of memories from which it is not likely again to be resurrected. For projects are now completed and operating and those who deal in real estate have lost nothing; in fact many have gained through the rehabilitation of slum areas. By the middle of 1937 somewhat more than \$3,000,000 had been spent on property improvements in the vicinity of projects which could be traced directly to the effect of these projects. This surely does not suggest loss of confidence nor intolerable hardship inflicted.

The struggle to reach this stage of general acceptance has been more than one of words alone. Injunctions to restrain the Division from building its projects were sought by organizations in Boston, Cambridge, Camden (New Jersey), Detroit, Enid (Oklahoma), and Milwaukee. The Boston suit was brought by a so-called Massachusetts Taxpayers' League, in the District of Columbia Court. On 18 May 1936, Mr. Justice Bailey denied a preliminary restraining order on the ground that no injury to the plaintiffs could be proven. The taxpayers named in the petition owned property at some distance from the site of the Boston project and their claim to injury was balanced by a counter petition signed by three times as many property owners whose holdings abutted the site and who begged that the project be built.

After a year with no further action it appears that the plaintiffs,

failing to obtain the inexpensive temporary restraining order, are not prepared to carry forward further legal activity.

Probably the most significant approval of the Government's interest in housing was that contained in a resolution passed at the annual convention of the National Association of Real Estate Boards at Pittsburgh in October 1937. Whereas, two years previous before a Senate Committee, Mr. Walter Schmidt, President of the Association, said 'Our feeling . . . is that there should not be . . . Federal movements that are detrimental to the urge of home ownership;' the Association in 1937 frankly recognized that no hope existed for slum clearance or rehabilitation without Government intervention in some form. The resolution endorsed the United States Housing Act of 1937, and offered full cooperation to the new United States Housing Authority set up under the Act.

There is little question that today the concept of the Government in housing is no longer a cause of alarm. General support by the press of the Housing Act, indicates that the objectives of public housing, if not its methods, are now a part of our national philosophy.

The methods of procedure of the Housing Division in the project cities have provoked discussion and comment that may be described as lively. The *abstract* concept of slum clearance or low-rent housing in most cities was almost always accepted. It was not until the Housing Division started to carry out its proposals that the fighting began. The moment a site was announced publicly, defenders and opposers rushed to the speaking platform or to the typewriter to express their opinion.

As an example of the relations between the Housing Division and local groups we should like to relate in some detail the moves in development of one project in a southern city. The illustration is not typical, yet, because of the multiplicity of controversial detail and the warmth of feeling aroused, it has a poster-like effect that intensifies the whole story of public relations. No detail of this story is unique to the city or project in question. All have been encountered in kind, if not in degree, in other cities. With this introduction and the preface that all names are fictitious, let us proceed to our tale.

Twenty-five years ago this Southern city was no more than a small town. It was thinly peopled by truck gardeners who came because there was so much more sunshine and topsoil than in other parts of the South. There were also a few citizens with vision who believed that the sun might be developed into a better paying asset than tomatoes or oranges. They built a railroad and imported seven or eight hundred Negroes to lay the ties and nail the spikes that held down the rails. The Negroes had to have some place in which to live, apart from the whites, in accordance with local custom, and so an agreement was drawn up which said that the Negroes should have for their use all land north of Main Street and west of the tracks. The virtually unlimited area of this land provided, or so the signers believed, for all future expansion of the Negro population.

Within five years, however, the town began to justify the hopes of the visionaries who had gambled on the drawing power of the sun. Business moved in; another track was laid to supplement the single line. The air was filled with the sound of hammer and saw and thousands of houses, hotels, and stores sprang up over night. In this explosive growth the Negro population jumped from 800 to 25,000. In less than ten years, the apparently limitless area ceded to the Negroes could have been filled almost to capacity.

But with this growth, the area immediately north of Main Street and west of the tracks was no longer a tamarac swamp remote from the city. It had come to form a large part of the very heart of town and had acquired a value far in excess of its earning capacity when used for Negro shacks. In their greed for profit, men forgot the agreement of ten years before. Where Negrotown had been limited only on the south and east, they proceeded to add northern and western boundaries and to draw all four tightly in order to squeeze out as much land as possible for greater profit. Then they needed storage yards and other business enterprise close to the railroad, so they bought up land in the now closely circumscribed segregated district.

By thus reducing the area available to Negroes and permitting them to live nowhere else, those in authority created a congestion which by 1934, had become serious. The gross area, now reduced to somewhat more than 300 acres, supported 25,000 persons who

lived, with rare exceptions, in three-room, one-story wood shacks. Enterprising promoters discovered in this restriction a new gold-mine, for they could fill any number of houses with tenants who could accept what was offered—or live in the gutter. You could see in Negrotown at least a score of lots 50 by 150 feet on which were squeezed 16 detached houses. Tenants of these houses have stated that, unless they knew their neighbours, they feared to sleep with windows open, lest the neighbours (without going out doors) reach in and steal their belongings. These lots had two privies at one end and one cold water spigot as the sum total of convenience for the tenant, and rents were from \$10 to \$12 per month.

In the summer of 1934, a dengue fever epidemic broke out in the coloured district. Like a brush fire in the wind, it spread through the town until there were said to be thousands of cases. The towns-folk were terrified, for few diseases that are not fatal have more devitalizing effect. Moreover, if any news of such an epidemic leaked out, it would seriously affect the tourist trade.

An immediate effect of the epidemic was to turn the city's thoughts to a clean up of the Negro area. The press castigated city authorities for permitting such congestion. And the city authorities, although they blamed property owners, passed a building ordinance to prevent any further overcrowding of land and ordered the Health and Street Departments to take action.

A small group of civic-minded whites, at the same time, petitioned the Housing Division for a housing project. In September of 1934 an initiator was sent to the city to investigate conditions, which he found to be as already described.

Slum clearance in Negrotown was clearly out of the question for two reasons. First, land prices, inflated by the nuisance value of rigid segregation, were out of sight. And second, clearance of any possible area would have thrown hundreds of families on the street until the new project was completed. The plan jointly approved by the sponsoring group and the Housing Division was to purchase land in an outlying subdivision next to a small and long established colony of Negro truck gardeners. This, for the purpose of starting a new coloured section where there would be room to breathe and turn around,

No publicity was given to the plan but the mere presence of the Housing Division initiator gave rise to speculation: 'What was the Government up to?' A group of white citizens, calling themselves the Colored Town Protective League, held a meeting attended by the Housing Division representative at which they stated that conditions in coloured town were greatly exaggerated; that the Negro was at best a bad tenant; that there was no money to be made in housing Negroes; that for that reason, they wished to warn the Government against proceeding; and finally, that any activity of the Housing Division would be unfair competition with private enterprise. The initiator returned to Washington and, on the basis of his reports, a project was formulated. An option on the property was secured and the initiator returned to secure certain concessions from the city authorities before the project was made public.

At a meeting with the mayor and city commissioners the site was approved. Additional approvals were given by the county sheriff, a county judge and the Housing Advisory Committee of prominent citizens which had been formally appointed by the Administrator. At this time all was sweetness and light.

The project was formally announced in March 1935, and immediately provoked a storm of anger. Within a week the Housing Division was receiving 100 letters of protest a day. The following is typical of their tenor:

Secretary Ickes:

It was with great alarm that I learned of the proposed Negro housing project. Of all the unfair things to the people of -----county and to the taxpayers in general this is the most unreasonable I ever heard of. It is the greatest waste of Government funds imaginable. We are not the only white people in -----who have received unfair treatment and there is plenty need for the white slums and poverty stricken sections to be cleaned up and aided . . .

One gentleman sent in a particularly gruesome newspaper photograph of a lynching with this comment: 'It occurs to the writer that the enclosed clipping might be attached as an exhibit with the brief of those advocating the establishment of a Negro settlement in white territory—.'

Although the site selected was in a subdivision which for twenty

years had been designated by its owner for Negro development, and although he had already sold off four lots on which Negroes lived in their own houses, the Director of Housing determined to re-submit the case to the people of the city and to request them to pick another site.

He wrote in April 1935, to the secretary of a neighbourhood property owners' association that had been particularly active in coordinating opposition, asking that the association name a disinterested party to confer with the Housing Division representatives and made recommendations. The association in reply stated that Judge Blackstone of the County Court was a fair and competent man with whose decision the association would be satisfied. The Director then sent three representatives to the city. From other interested individuals and organizations they obtained a vote of confidence in Judge Blackstone's impartiality. Then they spent three days with the Judge, combing the city and its surroundings, at the end of which time the Judge before witnesses stated that the site already selected and optioned was the only satisfactory one available; that the protests were unreasonable; and that he would recommend proceeding, if certain minor changes were made in the site plan to provide a park area between the project and the nearest houses for whites.

The changes were made and the Director ordered the Division to go ahead. Immediately the howls of protest were raised again. The property owners' association repudiated Judge Blackstone's decision and that gentleman promptly denied all statements attributed to him.

A Citizens' Committee formed to protest the project, circulated a petition and succeeded in obtaining 3,000 signatures of persons who claimed that completion of the project would not only ruin all property owners in the city, but that it might precipitate race riots. It was perhaps unfortunate that the names of the petitioners were accompanied by their home addresses, for the Housing Division made a map of the area, spotting these addresses in relation to the project site and found that less than 5 per cent of those who were to suffer ruin lived within one mile of the project

and more than that number lived 15 miles distant! Nevertheless, 3,000 names might mean 3,000 votes and, when the petition was submitted to the city commission, the mayor and his merry men proceeded to do a hurried about face and resolved to *disapprove* the site they had heartily approved only four months previous. The petition was sent to two representatives in Congress and both Senators, all of whom requested the Housing Division to reconsider its decision to proceed with the project.

In answer to the Citizens' Committee, the Director of Housing wrote a letter, copies of which were sent to the Senators and Congressmen, in which he quoted the written and oral approvals of the project. The Citizens' Committee, armed with this letter, called on every person mentioned and succeeded in obtaining retractions of the approval from a majority, including the Chairman and another member of the Administrator's Advisory Committee! Some, such as the mayor and commissioners, claimed they had approved the project in general but not any site in particular. Others who could not possibly sustain this curious alibi were forced to admit they 'had changed their minds.'

With the whole city apparently up in arms, the Director suggested that the project be abandoned. However, those members of the staff who had been closely connected with it, prevailed on him to make one more attempt to reach an agreement out of consideration for the 25,000 inarticulate Negroes for whose benefit the project had been planned.

The resolution of the City Commission requested that the Housing Division agree to the formation of a special committee composed of the City and County Commissions and members of the Housing Division.

In July the Director wrote letters to the mayor and chairman of the County Commission agreeing to this proposal with one condition, 'You once approved action,' he said (in substance but in more diplomatic terms), 'on which the Housing Division, acting in good faith, spent \$5,000 to acquire a site. Now you repudiate this approval. My assistants will attend such a meeting as you propose but they will not take active part. The responsibility, if your city wants this project as you so state, of selecting a satisfactory site will be

yours and yours alone. We shall expect you to stand behind the site of your own selection.'

When the Housing Division representatives arrived in town they heard rumours to the effect that the proposed meeting was to be of a different nature from that specified by the Director. Calling on the mayor and chairman of the County Commission, they again made clear the Housing Division's position and received cheery assurance that the meeting would not be public and would conform entirely to the Director's specifications.

The meeting held in the County Building was presided over by the County Commission chairman. Approximately 100 persons attended of whom two, both Negroes, were openly in favour of the project. The chairman called on members of the Citizens' Committee, Judge Blackstone, and various property owners who spent more than three hours vilifying those who had proposed the project, denying any approval at any time, and generally implying that the Housing Division representatives were either ignorant of conditions or implicated in this, a threat to the peace of the city. The meeting ended with a ringing statement of the chairman castigating the Negroes as shiftless, criminal, and quite unworthy of any consideration.

The Housing Division representatives, justifiably annoyed by this extravaganza, succeeded in arranging the following day for the type of meeting which had been solemnly promised. All members of the City Commission attended. (The chairman of the County Commission, pleading illness, was not present, but sent as his representative the leader of the Citizens' Committee who had generated the whole movement of protest! At the insistence of the Housing Division representatives, who pointed out that this gentleman had already had his field day, he was denied admittance.)

The first item of business at this meeting was a visit to the proposed site. An amusing sidelight on this junket was that, although the cars were driven by city employees and contained the city fathers who had protested knowingly about the site, the Housing Division representatives were obliged to direct the drivers, since none of the officials had ever visited the site or knew where it was! The trip also included stops at every other site which had ever

been proposed, none of which had ever been seen before by the officials, although they had at one time or another suggested most of them as alternatives.

Returned to the city hall, every member of both commissions agreed that the site selected was the only one feasible and that the objections raised were absurd. They had seen for themselves its proximity to a coloured community which antedated any white development for miles around. They had seen that a majority of the few houses within a mile were no more than squatters' shacks thrown together, and that half of these were vacant.

There remained, however, the practical fact that they were on record as disapproving the specific site. Between the site and the existing coloured community there was a piece of land containing about 80 acres. The commissioners proposed that, if the Housing Division would locate the project in any part of this tract, they would approve it. The Housing Division representatives agreed to this compromise and it was put to a vote. Five of the eight commissioners approved, the mayor and chairman of the County Commission dissenting.

On the basis of this approval the Housing Division purchased the land, let a contract, and built the project. Those commissioners who approved were assailed by the objectors and one was actually threatened with physical violence. Although it has never been proved, there is basis for the reasonable belief that the whole movement of objection was fomented by persons who saw in this project a blow to the continued exploitation of Negroes in the segregated area.

Whatever the reasons—which certainly were not those publicly put forward—the opposition gradually subsided. By the time the project was completed and occupied it had become the showplace of the city. The mayor, with a conveniently short memory of his past performances, took distinguished visitors to see ‘what great things my administration has done for the Negro.’ Today this project is filled with families who voluntarily have written such letters as the following:

I have long hoped for decent environments for my children and this project is the answer to my prayers. Every mother with children should make sacrifice to live here.

I hope this project will be my home as long as I live. These houses are the best I have ever lived in and I feel like a different man.

The story in its entirety is not typical but there are few projects on the PWA programme in which the Housing Division has failed to encounter at least one of such tribulations. In every city where the Division was forced by circumstance to build a project on vacant land rather than in a slum district, there has been protest of the same type and frequently of the same degree. In Tampa and St. Petersburg, Florida, and Hartford, Connecticut, projects, which had been approved and to which funds were tentatively allotted, had to be abandoned because bickering of the type referred to above was prolonged to the point where funds could no longer be kept inactive.

Two splendid projects in New Orleans were dropped with deepest regret by the Housing Division because the legislature in 1935 enacted laws which made it impossible for the Division to operate without the interference of local political bosses.

Probably the most universal bone of contention with the cities and project sponsors has been the payment of local taxes. No single phase of the public housing programme has been more debated, more misunderstood, more misrepresented than this.

One of the first questions asked by municipal officials of Housing Division initiators was invariably, 'What taxes will you pay?' In 1934, the initiators were forced to reply as follows: 'So long as the United States Government holds title to these projects they can pay no "taxes," since, by long standing interpretation of the relation between states and the United States, the latter's property can not be taxed by the states. However, we believe that, in justice, to the municipalities which will be called on to provide regular services of schooling, street maintenance, police and fire protection, these projects should pay some form of service charge if the city requests it.'

For the time being such an answer was satisfactory. It remained to determine on what basis this charge should be computed. Would the basis consist of a percentage of value of the projects in the same manner as other properties in the city were assessed? Should it be based on the existing value of slums the Housing Division was



before

SITE OF LOCKEFIELD GARDENS, INDIANAPOLIS

after



to clear? Or should it be based on the capacity of re-housed slum dwellers to pay taxes?

The first basis, *ad valorem* assessment of the new project, seemed unfair to the Housing Division for this meant that the city was penalizing a civic improvement. If the slums were left to rot, the city could assess only on the value of tumbledown shacks and tenements and could obviously expect to receive only nominal taxes. Clearance of such slums removed a cancer from the municipal structure; it wiped out a fire hazard, and gave promise of reduced health, crime, and policing costs. To demand taxes from four to six times in excess of those levied on the slum as a reward for the Federal Government's generous and obviously beneficial gesture, was unquestionably unjust. Yet there are still large and articulate groups in the cities who maintain that any deviation from this principle imposes an additional burden on other taxpayers. These groups either do not realize or are unwilling to recognize the fact that, if the Housing Division had not built these projects, they would continue to pay the cost of such items as expensive fire protection to prevent the inflammable shacks of the slums from generating general fires like that of Chicago. For instance, it has been estimated that the cost in one year to the taxpayers of Minneapolis, in order to check fires in the slum area later rehabilitated by the Housing Division, was \$70,000, or more for that one item than all the taxes levied on the area in that year! It has been accurately and conclusively computed in Chicago, Cleveland, Boston, Indianapolis, Birmingham and numerous other cities that the taxpayers of the average city pay out from four to ten times the taxes collected in slum areas, merely to maintain them in their present sorry state. If one wishes to talk of 'burdens on the taxpayer,' here is a real one to consider!

Those who insist on *ad valorem* taxes on slum clearance and low-rent housing projects, expect that the financial burden of the slums is to be removed completely; and that the slum dwellers not only should pay the full cost but a substantial sum in excess for the privilege of conferring such munificent benefits on the city. To those who have studied the question from a realistic point of view, this argument will not stand up. The charge that it 'creates a pre-

ferred class of taxpayers' and therefore is unfair, will not stand up either, since states and municipalities already make tax concessions to those manufacturers or industries which they desire to attract. Not long ago, the moving picture companies threatened to leave California if a certain distasteful tax were imposed. Florida, already famous for its homestead exemption act, wooed the picture impresarios by offering to waive virtually all taxes. Comparison between Tax *exemption* for one of the richest industries in the world and tax *adjustment* for civic improvements shows the inconsistency of this argument. (The illustration is hypothetical for both Miami and Jacksonville, the two Florida cities in which Housing Division projects are located, have generously waived *ad valorem* taxes.)

Well, if public housing projects should not be taxed on an *ad valorem* basis, is it fair to assess them on the value of sites previous to acquisition by the Housing Division? Where the projects were built on slum sites such assessment seemed fair, inasmuch as the cities would thereby lose nothing in actual revenue and since slum dwellers had—even if indirectly in their rents—shown they could supply this amount for this area. Where the projects were built on vacant land the answer was not so clear. For, although the city would continue to receive the taxes previously assessed on the land, the tenants of the project would be drawn from slum dwellings and might thereby reduce to some extent the income of the landlord which paid the taxes in the slum. There is no reason to discuss here the legitimacy of that income, but only the city's attitude toward its tax revenue. Some adjustment of assessment on value of sites at the time of acquisition seemed to be the most practical method of solving the problem and most agreements subsequently entered into with cities were based on this value.

The Housing Division, after much study, came to the conclusion that the most equitable, if not the most practical, basis of assessment was the capacity of tenants to pay, computed in terms of a percentage of project income. In an article, published in the American City for April 1937, the Director expounded the theory as follows:

The fair percentage of project income may be readily determined. If the housing project is a slum clearance and rehousing development, tenants

should not be expected to furnish a greater per-family tax income than did those who lived in the demolished shacks . . .

If the housing project is built on vacant land for former slum dwellers, the assessment in lieu of taxes should be based on a predetermined percentage of the gross rentals collected. Surveys would quickly determine the possible tax contributions of (proposed tenant groups) and this could then be applied as a percentage of rent. PWA studies of slum dwellers' incomes and taxes paid indicate that a maximum contribution probably should not exceed 5 per cent of gross income.

This figure of 5 per cent was tentatively used by initiators in their early conferences with city officials, although its application in specific cases could not be checked until the projects had been designed and costs and rents could be accurately computed. Some misunderstanding arose subsequently in cities where the actual figures that superseded preliminary estimates showed it to be too high. These discussions with municipal officials were for a time rendered wholly academic by a decision of the Comptroller General who, on 10 October 1935, ruled that, in the absence of specific legislative permission, the Housing Division could pay neither taxes nor service charges in lieu of such taxes.

The Mayor of one southern city promptly informed the Director of Housing that, unless some taxes were paid, he would rule the project outside of the city limits and would provide no schooling, water, street lighting and maintenance, police and fire protection. 'If you send the troops down from Washington,' he said, 'I suppose we'll have to play ball with you. But short of that it's taxes or no service.'

The George-Healey Act, in effect a clarification of the Recovery Act, was passed by Congress in June 1936, after suggestion by the Housing Division. Among other important questions answered and clarified in this Act, was that of service charges. The language of the Act is as follows:

Upon the request of any State or political subdivision . . . the . . . Administrator is authorized to enter . . . into an agreement . . . for the payment . . . of sums in lieu of taxes. Such sums . . . shall be based upon the cost of . . . services to be supplied . . . but taking into consideration . . . the benefits to be derived by such State or subdivision from such projects.

Thus authority to enter into agreements for satisfying the above-mentioned mayor and all his colleagues was granted.

The task of negotiating these agreements has called for tact and patience but the Division has been able to reach practical agreement with every city. No city has requested more than the amount collected from the site in the last year previous to acquisition and several have waived taxes completely for the life of the project.

Complete exemption from taxes is but one detail in the remarkably satisfactory and cooperative relations between New York and the Housing Division. We have stressed hitherto the difficulties of relations with the local public and sponsors. It is high time that the tune is pitched on a more cheerful note. The relations with public, press, and officials of New York have been no less extraordinary in their success than were those with the gentlemen of the southern city in their unpleasantness. For this, credit is largely due to Mayor La Guardia.

To begin with, New York was 'primed' for public housing. It had for years been enacting housing legislation and had tried out in the laboratory of actual experience every alternative method of housing improvement. It was unnecessary to 'sell' New York on the inadequacy of restrictive measures or the failure of private industry to provide decent housing for the slum dweller.

The Hon. Fiorello La Guardia took office as Mayor on 1 January 1934. Less than a month later the State Legislature passed a Housing Authorities Act and the Mayor promptly appointed the New York City Housing Authority composed of the Tenement House Commissioner, as chairman, and four distinguished civic leaders. There is no doubt that the Mayor was spurred on by a telegram received from Administrator Ickes on 4 January in which he allotted \$25,000,000 for New York, subject to the appointment of a satisfactory Housing Authority and the development of sound projects.

Through the joint efforts of the Housing Division and a group of representative citizens, a slum clearance committee had been formed in October 1933. This committee began the survey work which developed, under the Housing Authority, into a complete real property inventory of the whole city.

After land had been appraised and optioned, Administrator

Ickes in November 1934 considered himself justified in releasing the funds earmarked for New York, subject to certain conditions. He wrote to Mayor La Guardia outlining the following conditions: the city was to agree to maintain adequate schools and parks, sewers, streets and other regular services; to dedicate for the project's use all areas derived from closing streets within the site; and to grant complete tax exemption. Since these conditions had been proposed by Mayor La Guardia, himself, with the approval of his Board of Estimate, he had no hesitation in accepting them.

There have been at times friendly differences of opinion between New York and the Housing Division concerning the manner in which work was done. On one occasion the Mayor, who among other qualities possesses a vivid vocabulary, complained publicly about the 'procrastination' of PWA lawyers to whom he referred as 'semi-colon boys.' The Administrator, speaking in the Mayor's presence at the Williamsburg dedication in January 1936, said in amiable reply, 'In general I agree with the Mayor, but I would like to express my appreciation of the work of these meticulous lawyers on this particular project for, on several occasions, a "semi-colon boy" saved us from a large black period marking the end of the whole undertaking.' No one enjoyed this rebuttal more than His Honor.

The Housing Authority took full responsibility for the demolition of the slum that became Williamsburg. Through the city it instituted condemnation proceedings to clear title to several parcels in Williamsburg and the whole site for Harlem River Houses and thus made it possible to acquire sites which the Housing Division, due to the Louisville decision, would probably have been unable to obtain itself.

The Housing Authority, backed by the Mayor, City officials, the press and public, has proven itself so well that the Housing Division turned over both New York projects to it on lease for local operation.

Ever since the Federal programme was launched in 1934, it has been the Housing Division's hope to relinquish local responsibility to local authorities and to negotiate similar operating leases for all its projects. The policy has been stated on countless occasions, but

never better than by Administrator Ickes in an address to the mayors of American cities assembled for conference at Washington, 17 November 1936. He said:

With the exception of the projects in New York City, it is likely that the Government for the present will have to operate all of them. In every instance, PWA undertook the work on a Federal basis at the request of the cities in which the various projects were located. Circumstances were such as to give us no other choice if we were going to have action. No city was in a position to do the work itself and yet it was imperative that it be done. Aid was given by the cities—I want to say that we have had the most generous cooperation possible—but the real burden was carried by the Federal Government.

Where do we stand now so far as a permanent housing program is concerned? Our experience has shown us that housing is properly a municipal undertaking. The Federal Government was willing to blaze the way, and had PWA not initiated this program slum clearance and low-rent housing in this country would still be the distant rose-colored cloud that it was in the decades preceding 1933 . . .

From extensive experience in this field during the last three years, I feel that, in the first place, it should be a local program for which the municipalities shall be responsible, with the Federal Government giving aid and counsel. All of us might as well get over the idea at once that the Federal Government will continue indefinitely to do all the work. The job will be turned over to you, for, after all, the cities should have the primary responsibility for local housing programs.

As I have said, the Federal Government, although it has pointed the way, will not carry forward the program by itself. But it should be willing to make loans and grants to cities in aid of low-cost housing. It can continue to give technical assistance and make available to municipalities the fruits of its experience during the last three years. It can go forward with a program of research, without which genuine low-cost housing is impossible—such research as could not be undertaken by individual cities. With its wider resources and with its greater opportunity for leadership, the Federal Government will be in a position to provide a great pool of valuable information for interested municipalities.

In short, the real burden must be assumed* by the cities.

The first step necessary to produce local autonomy was the passage of state housing authorities legislation. From the time the Federal programme was inaugurated, the PWA Legal Division has aided states in drafting workable housing authorities laws.

In December 1934, the President wrote letters to every governor enclosing drafts of bills adapted to local conditions. He suggested

the passage of these or similar bills in order that local communities might assume legal control of the projects in process of construction.

Many legislatures accepted these suggestions. A few did not. It is interesting to note that the press in a number of cities denounced the Federal Government for an 'attempt to dictate' to the state governments at the same time as they demanded local control of the projects. Now, no city could assume responsibility for PWA housing projects unless it was legally empowered to do so and no city could have the legal power until it was granted through a state law permitting the establishment of municipal housing authorities.

With the exception of the first few, no states have considered the passage of housing authority legislation until it had been suggested by the President and the PWA. Nor is this any derogation of the states for such legislation embodied new and complicated concepts requiring expert knowledge which no one could expect to find in every state capital.

As of 1 November 1937, thirty states have passed housing authorities laws, the vast majority of which were prepared with the assistance of PWA lawyers. There are about fifty local housing authorities now in existence. Most of them have been appointed subsequent to the inauguration in the respective cities of PWA projects.

In every city the Housing Division dealt with a legally constituted Housing Authority, if such existed, or if not, the Administrator appointed an Advisory Committee of local civic leaders.

The Authorities had full legal power on the whole to take such action as that of the New York City Housing Authority, yet few had money, other than that which they might obtain for work relief projects, to do more than offer advice. Two cases in point are those of the Chicago and Bridgeport, Connecticut, Authorities. Both cities were admittedly in straightened financial circumstances, insofar as inaugurating new municipal enterprises was concerned. Chicago, the second city of the land, was able to appropriate no more than \$10,000 to finance the first year's operation of its Authority. By the time quarters had been rented, furniture bought and

clerical help hired, the remainder of the \$10,000 would not pay for much more than stamps. To attempt survey work or the launching of Chicago's three PWA projects; Jane Addams Houses, Julia C. Lathrop Homes, and Trumbull Park Homes, with a total value of \$16,000,000 on such a budget was impossible. No derogation of Chicago is implied in this statement of facts.

In Bridgeport, an Authority was appointed some time after the city had submitted an excellent application to PWA. The City Council voted to appropriate \$25,000 to finance Authority operations (under the circumstances and in such a city this might have been adequate) when, as, or if, the Housing Division formally approved the project. The Housing Division had no funds to launch new projects, however, and the Bridgeport Authority presumably went penniless.

Somewhere between the extremes of these cases and that of New York lie Authorities such as that of New Jersey. That state has an Act creating a state, not a municipal, Authority. Launched under the leadership of the late Stanley S. Holmes, an enlightened and militantly crusading industrialist, the New Jersey State Housing Authority organized a vast white collar relief project which proceeded with the aid of Federal relief agencies, to take an inventory of all residential districts in every sizeable town in the State. In latter years, however, as the seriousness of the depression waned, this work has been abandoned. Recently, for whatever reason, the State Legislature has so curtailed the Authority's budget as to throw it into the class of an Advisory Committee.

The lack of funds was no more of a handicap to independent action of most Authorities than lack of experienced technicians and housing experts. Some like those mentioned and those of Cleveland, Cincinnati, Louisville, Milwaukee, and Toledo, had sufficient funds and personnel to make it possible for them to share in the actual work of developing projects.

But the majority fell into the same category as the advisory committees. The relation to the Housing Division of such authorities and all committees has been, it must be admitted, ambiguous. While the Division always sought the advice of these agencies on important matters, it frequently did not accept that advice. In a

few cities committees, which of necessity were able to see problems only from the local point of view, resigned when their advice was disregarded. No blame can attach to either party to such disagreements, for, in these instances, the Housing Division has usually been forced to act on conditions beyond the scope of these committees.

It must be remembered that responsibility to the country, to Congress, and to the public in project cities, rested squarely and uniquely on the shoulders of the Housing Division. Moreover, the Division was bound to act consistently throughout the country, at least on major policy. It could not, for instance, yield to special pleading of the committee or authority in Pittsville, no matter how the committee viewed the matter, unless it was ready to give in to every city in the country.

Under the new housing programme authorized by Congress in the United States Housing Act of 1937, local housing agencies will have, as they should have the major responsibility for developing their local programmes. They will find themselves confronted by many of the same difficulties and beset by much the same criticism as those which the Housing Division has had to face. However, the relations between Federal and local authorities should be more satisfactory than those imposed by the conditions of an emergency relief programme.

These relations will approximate the form so often advocated by Administrator Ickes and toward which he and his associates worked for four years.

CHAPTER VI

RELIEF COMES FIRST

It is difficult in the detachment of retrospect to recreate the atmosphere of tension and pressure which drove every emergency agency of the Government through the years of 1933, 1934, 1935, and 1936. The people as a whole were still in the doldrums of enforced idleness, waiting, some without much hope, some with anticipation, for *something* to happen. Only in Washington did the electric atmosphere of high speed drive exist. The best parallel suggesting this atmosphere is to recall the early days of the war when everyone in the country was fired with the same emotion; when the whole country worked itself to the breaking point, because *something had to be done.*

Vacationing visitors to Washington who were forced to tramp the streets, looking for any roof over their heads, will remember at least the outward manifestations of this frenzy. For, during those years, dozens of hotels went so far as to station men at the curbs who chanted at taxis and private cars as they drew up to the door, 'No rooms here; all rooms occupied.'

The rooms were occupied by thousands of individuals and delegations, all representing interests beseeching aid from a Government that had at last recognized responsibility for relief. Rich man, poor man, beggarman, doctor, lawyer, merchant chief—all had their advocates. And back in the country were millions waiting, waiting.

All programmes of the Government, whatever their apparent purpose, were of necessity keyed to the high pitch of emergency relief. Whenever an objective essential to the apparent purpose failed to coincide with the objectives of relief, it was, rightly, abandoned.

The theme of this story has apparently been the history of a housing programme. Yet a more precise designation would have

been relief as it was achieved through the construction of housing. Not until late in 1936 could the Housing Division's work progress on its merits as housing rather than as an instrument of relief.

Paradoxically the very pressure of relief, more than any other single factor, slowed down the progress of housing. Because it was pioneering work without precedent; because expedition of land acquisition and legal problems was made impossible; because construction of buildings to last sixty years could not be completed over night; housing was, it must be admitted, a poor tool to serve the interests of immediate employment.

And every time, during those four years, that housing lagged in this unequal race, its normal progress was further impeded by the taking away of funds or establishment of deadlines which were difficult to meet.

This fact has been widely recognized by those familiar with the necessary procedure of housing. The United States Senate Committee on Education and Labor, in its report on the United States Housing Act of 1937, said:

The Public Works Administration which has been devoting itself more particularly than other agencies to the problem of low-rent housing, has also been held back by severe difficulties. One of these drawbacks has been that housing has been tested, at least in the public mind, in terms of emergency relief, thus impairing the expeditious accomplishment of either, and giving to low-rent housing an air of expediency that is fundamentally injurious to its successful operation.

This clear cut statement was distilled from the testimony of dozens of experts in the fields of finance, housing, real estate and labour.

Mr. William Green, speaking for building trades workers before the Committee said: 'Nor is it possible to solve the problem by such emergency measures as we have attempted in the past three years. The Public Works Administration (is) primarily (an) emergency relief (agency).'

Mr. Nathan Straus, Administrator of the new United States Housing Authority, but at the time member of the New York City Housing Authority, told the Committee much the same story. 'Slums,' he said, 'were not caused by the depression and will not be cured by emergency measures designed to combat depression.'

Undoubtedly it was better to have a housing programme that suffered such handicaps than no housing at all. And in the circumstances of the emergency these were the only alternatives. Moreover, it is doubtful whether there would have been any housing programme at all, unless it could be undertaken as a means of providing relief for building trade workers.

The Administrator and his Directors of Housing never lost sight of the main objective. They recognized and approved the limitations placed upon housing so long as speedy relief was paramount. And through exhausting work, night after night and all day Sundays, they drove the programme to keep pace with the needs of relief.

The guiding hand was that of the Administrator, Harold L. Ickes. No project was approved, no contract let unless his signature appeared on the approving documents. Never was this signature a mere rubber stamp, despite the fact that no recommendations or contracts could be submitted to him until the list of substantiating signatures numbered every member of the Housing Division staff involved in these matters. With full responsibility for all the complex and exacting affairs of one of the largest regular Government Departments and the tremendous pressure of conducting the PWA programme, the Administrator still found time to scrutinize with minute care every detail of the Housing Division's operations. Such a discharge of responsibility could be achieved in one way only—by punishing and unremitting toil.

So too with his associates in the Housing Division. In the fall of 1934 a Congressman from New York studied the proposition of enacting a law to pay Government employees for overtime work. He sent out a questionnaire form to every employee in Washington to learn, among other things, how much overtime each was accustomed to put in. The average for Housing Division executives was about the equivalent of two working weeks in every month!

As of 1 September 1934, the funds available to the Housing Division were \$135,328,500. Tentative allotments, based on applications for specific projects, had been made to 33 cities and one state and work on land acquisition had progressed to the point where on 28 December, Administrator Ickes could afford to announce approval of 27 projects.

On that date the President issued an Executive Order impounding a percentage of the funds of most emergency agencies in order to provide for the needs of direct relief. The Housing Division's share of this contribution was \$110,000,000 of its \$135,000,000.

It should be remembered that the winter of 1934-35 was unusually severe. Blizzards paralyzed hundreds of northern cities and killed off farmers' stock. Floods drove thousands from their homes and washed out hope of crops. By December it was obvious that weather alone had upset the most careful calculations of need for relief of the unemployed. Congress was not in session to vote a deficiency act. The Federal Emergency Relief Administration was so organized that it could distribute relief funds faster than any other organization. Inevitably, therefore, the President was forced to call upon all agencies with uncommitted funds to give them to the F.E.R.A. to tide over the winter until Congress should reconvene.

What this meant to the Housing Division was an eight months' paralysis of the programme, with the exception of projects like those in Atlanta, Cleveland, Indianapolis, and Montgomery, where contracts had been signed. Options, binding only on property owners, had to be extended or allowed to lapse in ten cities and no more projects could be approved until the Housing Division was again in funds. Not until 9 July 1935, when the first allotments under the Relief Act of 1935 were made available, could the Division enter into binding contracts on new projects.

Yet to say that projects could not advance to the stage of construction, is not to say that the programme was killed, nor the Division idle. The Director determined to employ the staff in a manner that would expedite construction of projects when the Division again had funds for construction. Wherever the acquisition of land seemed reasonably certain he appointed local architects and put them to work to design projects for these cities. The 'Louisville decision' reduced the reasonable certainty of land acquisition in a majority of cities to practical impossibility. It was possible during this time to execute contracts with architects in Atlantic City, Birmingham, Cincinnati, Columbia, South Carolina, Detroit, Miami, Milwaukee, and Nashville.

There were undeniably mitigating circumstances in this delay, for it gave the Housing Division an opportunity to perfect its organization and technique. New men could be broken in properly without forcing them into field work before they were ready.

Perhaps the most important work done during this time was the study of the financial aspects of the projects proposed. An earlier chapter referred to the distressing lack of information concerning cost of construction and operation, particularly the latter. The Director insisted that, before projects were further advanced, the Housing Division should be able to estimate how much it would cost to operate them. He sent representatives to visit every known large-scale housing project in the country and to make an exhaustive study of their operating costs.

From financial statements based on construction estimates and the first realistic operating cost figures the Division had obtained, it appeared probable that in most cities the financial terms of the Recovery Act could not produce low enough rents. It may be recalled that the Special Board of Public Works specified an interest rate of 4 per cent and, under the Act itself, projects could not receive a subsidy in excess of 30 per cent of the cost of labour and materials. During the so-called inactive months of 1934-35, the Director, with the assistance of initiators, lawyers, and estimators, studied every possible financial policy to find that one which would at the same time produce low enough rents and guarantee a reasonable return on the Government's investment.

These men reasoned that fireproof construction should endure in good condition long beyond the 35 years originally planned as the period of amortization and that, as the period was extended, the annual amortization payments could be lowered. Somewhere beyond 35 years they realized they would reach a point at which the curve flattened out, where the annual saving made by extending the period would be so small as to invalidate any further extension. They found that point at about 60 to 75 years. Next they studied durability tests of construction and checked these against the cost of materials which could last that long. Pursuing this method of assumption-followed-by-check, they finally arrived at the conclusion that, in cities where existing building codes prescribed already

a reasonably high (and hence expensive) standard of construction, the most satisfactory policy was to build the best and amortize it in 60 years.

Undoubtedly, in areas where frame construction planned for shorter life is possible under building codes, a different formula might be used. But virtually every city in which Housing Division projects were proposed had building codes which would not permit new construction of that type in the close-in built-up slum areas.

Next the interest rate was studied and, without the necessity to juggle a number of factors such as determined the amortization period, it seemed reasonable to drop the interest rate to 3 per cent. The Government has been able to borrow at less than this rate and since the security for the money advanced was to be United States Government property—at least for some time—there seemed to be no reason to hold to the 4 per cent required of local governments or private corporations whose bonds were not saleable at less.

Finally, the grant of 30 per cent of the cost of labour and materials was obviously inadequate where the Housing Division was forced to pay \$1.00 per square foot or more for land. The Administrator and his staff recommended a grant of 45 per cent, if the only system of subsidy possible was to be capital grants. As early as the fall of 1934, they recognized the great value of an annual subsidy, the type which has now been approved in the United States Housing Act of 1937. They recognized also that the annual subsidy is more flexible than the capital grant since it can be adjusted to meet changing circumstances and makes no immediate and heavy demand on the Treasury. Yet, at the time, they appreciated that Congress was not yet prepared to commit future Congresses, and that, without a guaranteed subsidy, these projects could not fulfill their mission. Consequently, they recommended the 45 per cent capital grant.

It was not until June 1936 that these recommendations were approved by Congress in the George-Healey Act but they were worked out in the winter of 1934-35.

When, by March 1935, it appeared obvious that a large relief

appropriation would be voted by Congress and that housing might have a conspicuous part in the new programme, the Housing Division went into high gear again.

In order that other agencies, and particularly the Congressional committees preparing the new relief bill, might know the record and capacities of the Housing Division, the Division was called on constantly for lengthy and detailed reports. The time allowed to prepare such reports invariably varied from one quarter to one tenth the time in which it was reasonably possible to turn them out, but somehow they were always delivered on schedule.

As one instance the Division was called on one day at 5 p.m. for a statement to cover the activities of, and justification for, the Housing Division, to explain its mistakes, and to outline in some detail its recommendations for the future of public housing. This report was to be delivered without fail at 9 a.m. the following morning.

The Director called his aides from the dinner table and by 1 a.m. the council had outlined the report. Then the majority went home. A small group stayed all night to write the final draft. They delivered the report at 9 a.m. and resumed the routine of a working day.

This tale would have a distinctly Horatio Alger will-to-win tinge were it not for the sequel, which was that at 9:30 a.m. the Director was notified that there was no need, after all, for this report and that the authorities already had sufficient data on the Housing Division.

Although this masterpiece was stillborn, the others submitted by the Division to the President, Congress, the National Emergency Council, and other agencies were invaluable in defining the field of operations of the Division. They helped to coordinate programmes of housing which had been undertaken from time to time as a number of unrelated but highly concentrated units.

For instance, the Federal Housing Administration created under the National Housing Act of 1934 was permitted to insure mortgages on large-scale privately sponsored low-rent housing projects. This phase of F.H.A.'s programme, to all intents and purposes, supplanted the limited dividend programme of the Housing Division. In fact, several projects approved by the Federal Housing Administrator, Mr. James A. Moffet, had been submitted to the

Housing Division in 1933 and had been there rejected, only because at that time sponsors could not raise a sufficient equity. The normal fields of operation of these two agencies were clearly separated but the line marking the bottom of F.H.A.'s scale and the top of the Housing Division's was not distinct.

By focusing on this indistinct line, enterprising journalists in the fall of 1934 created out of thin air the famous Ickes-Moffett dispute which in 24 hours had made the front page of every newspaper in the country, and which they, in turn, proceeded to magnify to the proportions of the Hatfield-McCoy feud.

Although the principals in this pre-fabricated and synthetic dispute were innocent of any intention to poach on each other's terrain, it served to illustrate once again the need for coordination of the work of all Government housing agencies.

On 26 June 1935, the President issued an Executive Order creating the Central Housing Committee, naming as chairman Mr. Frederic A. Delano, President of the American Civic Association. In the organization of the Central Housing Committee each housing agency had two members. Represented were the PWA Housing Division, the Federal Housing Administration, the Resettlement Administration, the Federal Home Loan Bank Board, the Treasury Department, the Farm Credit Administration, the Reconstruction Finance Corporation Mortgage Company, and the National Emergency Council.

Regular meetings of the Committee and sub-committees have produced a coordinated front of all housing agencies and an exchange of knowledge and experience which have benefited everyone. Although there have been at times proposals to consolidate all housing activities of the Government into one agency, the findings of the Central Housing Committee proved, not only that such consolidation of widely differing functions would be unwise, but that the informal and flexible organization of the Central Housing Committee was the only way to tie these agencies together properly.

On 8 April 1935, the President signed the Emergency Relief Appropriation Act of 1935, which allotted a sum not in excess of \$450,000,000 to 'housing' and prolonged the life of PWA for two years to 30 June 1937.

On 13 May, Colonel Hackett was appointed Assistant Administrator of PWA and Mr. A. R. Clas, former Assistant Director, succeeded him as Director of Housing.

On 16 May, Administrator Ickes submitted to the President a recommended list of 79 housing projects aggregating a total expenditure of \$249,860,000.

On 23 May, the President informally approved this list but suggested that detailed applications be submitted for final approval as funds were needed.

The cumulative effect of the action taken on these four days was to pitch the Housing Division once again into a frenzied activity.

Before the end of May the new Director had sent into the field a dozen flying squadrons composed of initiators, lawyers and land purchasers. Their job was to 'nail down' sites in the cities whose applications they had been studying through the winter; to make recommendations of architects and engineers to design the projects; appraisers, surveyors and negotiators to obtain the land; and, where necessary, advisory committees to consult with and advise the Division on all local matters pertaining to projects.

On 9 July, the Administrator was notified that the President had approved allotments for 49 projects at a total cost of \$161,632,000. At last the Division was ready to proceed with actual contracts to purchase land and construct its projects. For two months there was a steady flow of applications submitted and projects approved until, on 15 September, the Housing Division's programme contemplated a total of 95 projects at an aggregate expenditure of \$264,720,000.

The spotlight is again turned from the Housing Division to illuminate the broader stage of the whole relief programme. In the spring of 1935 the President had made a solemn promise to the Nation to take 3,500,000 persons off the dole before the end of the year. In arriving at the amount of relief funds necessary to produce this result, some reasonably accurate estimate of the cost per man-hour, or man-year, of the different types of project contemplated had been necessary. If a \$12,000,000 housing project was planned for New York, the directors of the works programme wanted to know immediately how many men could be put to work on con-

struction and how soon. How would such a project compare from the standpoint of efficiency in providing immediate and considerable employment with, for instance, a road building project of the same cost?

It was one of the tragedies of our lack of preparedness for the depression that in 1933 no one in the country knew the answers to such questions. The very moment the public works programme was inaugurated PWA requested the Bureau of Labor Statistics to make a study in order to find accurate answers. But, since the study could be based only on completed public works projects, nearly two years had to pass before the statisticians had the necessary data with which to begin a comprehensive study. Thousands of contracts and sub-contracts had to be broken down to learn, for example, what happened to the workers in the iron mines, sailors on the ore boats, stevedores, and workers in the steel mills, when PWA approved a contract for the purchase of steel girders. The benefits of the PWA accrued to these men no less tangibly than to the crews which erected those girders on the site, yet not until 4 December 1936, could the Bureau of Labor Statistics state accurately the extent of this benefit. On that date, PWA issued a statement of findings which indicated that every hour put in by workers on the site of construction was matched by two and one-half hours of work by men 'back of the lines.'

This ratio was not known in September 1935. At that time the only unassailable method of counting beneficiaries of the works programme was to count the workers on the site. Such a method, of course, favoured road building and similar projects with a high ratio of direct labour cost and low ratio of material cost. Likewise it handicapped housing projects in which labour on the site amounts to less than 40 per cent of total cost, and materials (whose price is largely made up of the cost of manufacturing and transportation labour) comprise more than 50 per cent.

Given the facts known in September 1935, the President, on a basis of providing direct employment, had no alternative but to favour the type of project developed by the Works Progress Administration. On the basis of putting men to work quickly housing projects were also handicapped, for a bricklayer can not be

hired to lay bricks until the 'secondary' workers in manufacturing plants have made the bricks.

By 15 September it was obvious that major emphasis was to be placed on the Works Progress Administration type of project, if according to the existing rules, the President were to make good his promise. Thus, on this date, he ordered a curtailment of the housing programme to approximately \$100,000,000. This order merely indicated once again that the emergency called for use of a different tool.

The difficulties of attempting to gear housing to the pace and exigencies of emergency relief had long been recognized by those who attempted to administer the housing programme and they, however disappointed, proceeded philosophically to make the most of their limited fortune.

The difficult and distasteful task of pruning the list of approved projects was described in the *Housing Officials Yearbook, 1936*, as follows:

As a rule, priority of application induced the following sequence of events; work was started sooner and the clearance of title, if difficult, was thereby expedited. On the other hand, a few projects, submitted late, were in such fine condition that we were able to push them successfully at top speed. Many cities in which it was known that tentative allotments had been made, were cut off. Many others which had hopes but no assurance of projects were disappointed. The energetic reaction to the reduction, disheartening as it was, provided remarkable evidence of the sentiment for public housing in the country. Not only the Housing Division, the Administrator of Public Works, and the President, but every man or agency suspected of having anything to do with housing was deluged with telegrams and embattled delegations. For weeks the Housing Division was transformed into a sort of gigantic complaint department. It was not easy to assuage the indignation of communities that had spent time and money in preparation of the voluminous data which we requested of them. Their disappointment was not dispelled by the explanation that emergency relief took precedence over housing. We could only sympathize and hope that more appropriations would be authorized.

By 15 October a 'definitive' list of 50 projects totaling \$129,665,100 had been approved and was in development. Of these, 37 were financed from appropriations out of the Emergency Relief Appropriation Act, 11 were financed from the original National Industrial Recovery Act funds, and 2 were jointly financed by both.

The President, on 26 August, had issued an Executive Order setting two deadline dates on which the completion of all works projects was to depend. By 22 October agencies were to advertise for construction bids; by 15 December *some* contract for work at the site was to be awarded on every project. The Housing Division beat the October deadline by four days and by 15 December had qualified every project by the award of contracts either for general or foundation construction, or demolition of slum buildings.

For the next few months, the Housing Division concentrated on the approval of drawings, completion of acquiring stray parcels of slum land, and the award of contracts.

In July 1936, one project, Techwood Homes, Atlanta, Georgia, had been completed and the remainder were in varying stages of construction. The spade work was done. On the 23rd, Mr. Clas was transferred to the position of Assistant Administrator in charge of Investigations.

To carry on the programme Administrator Ickes appointed the Director of the PWA Inspection Division, Mr. Howard A. Gray. Since the Inspection Division had supervised construction of all housing projects, Mr. Gray brought to his new position a familiarity with the Housing Division's work of three years' standing.

On 19 October 1936, the President approved an allotment of \$1,500,000 for the construction of a housing project in Lackawanna, New York, an industrial suburb of Buffalo. These funds, reverting to the Housing Division from savings from previous allotments, were to be used to alleviate one of the most serious housing shortages in the country. Although space will not permit a detailed description of the development of this project, it is interesting to note briefly the advance in technique developing out of the Housing Division's three years of experience.

From the time the allotment was approved the chiefs of every branch in the Division shaped and molded the design of 'Baker Homes,' as it was called. In the projects developed in 1934-35, the Division had been forced into a sort of assembly line design on which initiators and land purchasers worked first and were followed in turn by architects and engineers, then constructors, and

finally managers. In the design of 'Baker Homes' no element of plans or specifications was specified until the Management Branch had counted the cost of maintenance and replacement. No site was selected until the city agreed to make the necessary zoning revisions. And so on down the line. The whole project was put together at one time and may serve as a prototype of the Housing Division recommendations for design technique in the future.

With at least foundation contracts awarded and men at work on every project (except, of course, Lackawanna) by the spring of 1936, housing had fulfilled its obligations to the relief programme. The only deadline in view was 30 June 1937, at which date the PWA was due for termination according to the Relief Act of 1935. Thus there was time to put plans and specifications in meticulous order before they were issued for bids on superstructure contracts. There was time to work out the details of management policy, the selection and installation of tenants. There was time to develop the programme as housing, not as a necessarily minor aspect of relief.

The result is that more progress and better results have been obtained in the past year than in all the years previous. This fact implies no criticism either of the men who administered the housing programme during those years or of those who made relief paramount. It only serves again to substantiate the claim that housing can be more successful when it is developed for its own sake, and not merely as an excuse for creating emergency employment.

The PWA Housing Division's programme constitutes an admirable illustration of the philosophy of its Administrator. Soon after his appointment in 1933, in discussing the public works programme privately he said, 'This programme scares me to death. It's the biggest thing of its kind in history and the chances for graft have never been equalled. If we just shovel out the money it's impossible to avoid scandals that may wreck the whole administration. As I see it, my duty is, first, to build creditable projects; second, to make certain there is no corruption; and third, to move as rapidly as is consistent with the first two principles. That's an order which appalls me by its magnitude.'

Since that day thousands of PWA projects have been built,

hundreds of thousands of contracts have been awarded, millions of men have been employed, and billions of dollars have been spent. After four years of administering the largest potential pork barrel in history, the most serious charge that has ever been brought against the administration, not only of the housing programme but also of the whole PWA, is that it didn't 'move fast enough.'

'Relief comes first' but there is also something to be said for creditable projects honestly built.

CHAPTER VII

BIDS, BRICKS, AND BRICKBATS

'WHAT am I bid?' About twice a month during the years 1935-37, the Housing Division assumed the role of an auctioneer. The merchandise was construction contracts, the bidders qualified contractors. But these were auctions seen in a looking glass, so to speak, for the low bidder, not the high, won the prize. Yet, if the positions were reversed, the principles did not differ. The auctioneer attempted to obtain the lowest bid possible and the bidders in turn attempted to put in the highest possible offer without losing the prize.

Construction of PWA housing projects has followed the customary procedure of all Governmental departments. Plans and specifications have been submitted to interested private contractors and they have offered a guaranteed price for the work to be done. The bids are publicly opened on a specified date and the low bidder, subject to bonded assurance that he is competent to undertake and complete the work, is awarded the contract. Any contractor in the United States (unless he is specifically excepted for good reason) may bid on Government contracts. Most Government departments (among them the Housing Division) make their own estimate of a fair price for the work to be done, and if they can not control the bids, they do have the right to reject all bids if the prices offered seem too high.

This procedure, as it applied to the Housing Division, has on the whole been reasonably successful. As a matter of public policy, it is doubtful if any other would have produced more satisfactory results. Yet to deny that it has created difficulties would not be possible.

For more than two years the most persistent criticism of the Housing Division has been focused on construction costs. Newspapers, builders, members of Congress, and the public in general

have aimed a straggler's fire on the 'excessive and extravagant' construction costs of the Housing Division. It has been repeatedly claimed that private builders could do as well for half the money and figures are produced to attempt to prove that the average value of all the homes in the United States is less than the average cost of PWA dwelling units.

Is it true that the Housing Division squandered its funds? Is it a fact that private builders can do as well for half the price? How fair are these charges?

Like any such fulsome generalizations there is a little truth and much untruth in these claims. To assess their veracity it is necessary to examine all the conditions under which the Housing Division was required to operate and weigh the results accordingly.

The first condition is that of employment. In order to fulfill the spirit of the Recovery Act, no contractor on PWA projects was permitted to employ a worker for more than 30 hours per week, which usually meant the employment of two shifts of men. The purpose of such restrictions is clear enough. They were planned to guarantee a distribution of employment in order that as many workers as possible in any community might benefit from the expenditure of relief funds. This is a restriction that is unknown to contractors on private work. Private builders are bound of course to observe union regulations where union labour prevails, but even the union week of 40 hours and the union month of 160 hours or more works no particular hardship on contractors. Once they hire a good carpenter, for instance, they are able to keep him at work throughout the construction period when there is need for carpenters. On the contrary, the PWA contractor was forced, after a few weeks, to let out the good carpenter and to take on another who might be equally capable but who at best would waste a day or two until he 'got the hang' of the job. Obviously, the contractor bidding on a PWA housing project would measure this enforced turnover of personnel in terms of a higher construction price.

Construction costs were also affected by the wage scales paid to labour. Under the PWA, prevailing wages have always been paid. If a union scale existed, that was the scale used; if it was impossible to determine a prevailing wage, the PWA itself established liberal

scales. Now, during the years of PWA construction, many (if not most) private contracts were awarded with labour costs based on the 'kickback.' Under the kickback system, labourers are ostentatiously paid the full wage scale but they are required, later and *sub rosa*, to refund an amount which may run as high as 50 per cent.

On one large-scale private housing project, built in the same period as those of PWA, labour costs, thanks to the kickback, were only 60 per cent of those of a neighbouring PWA project. Private builders point with pride to this project as a splendid example of the efficiency of private enterprise as contrasted with the extravagance of the Housing Division, and summon comparative costs to prove their point. They do not say how this difference was achieved.

Disparity between working conditions on private and PWA projects did not stop at the turnover and wage scales. One of the first steps taken by Administrator Ickes to guarantee proper performance of work was to establish an Inspection Division which saw to it that plans and specifications on all PWA projects (including housing) were carried out to the very last detail.

There is no question that inspection of PWA housing construction has been infinitely more strict in general than is customary on private work, and it is probable that contractors have raised their bids somewhat in order to compensate for the increased cost of the standard of performance required. Yet the Inspection Division did not call on contractors to perform miracles. It asked only that the contractors live up to their contracts and perform work in accordance with the obligations they had accepted when they submitted their bids. It is one of the weaknesses of Government contract procedure that there is no way by which the Government can isolate and stamp out what is, in fact, a premium charged for seeing to it that a contractor will do only what he has already promised to do. If inspection has raised the cost of PWA housing projects, on the other hand it has guaranteed to honest contractors equality of opportunity with those chiselers who frequently make up for low bids by using the kickback or skimping on materials. Former slum dwellers now living in PWA housing projects need never fear that the buildings will collapse, or that they will be trapped in general

conflagrations such as have ravaged the slum areas of New York and Philadelphia in recent months. If the lives of slum mothers and children have any value, then the added cost of buildings which are built as they should be built will result in a saving in the long run.

Actual construction costs, however, eventually were shown to be well within reasonable limits. While varied charges were being made on the basis of opinion, as to construction expenses, the Bureau of Labor Statistics of the United States Department of Labor, the Government's official reporter on residential construction costs throughout the nation, analyzed actual building costs on the first 13 projects completed by the Housing Division. Dwelling facilities erected by the Division were built for an average cost of \$979 a room, the Bureau found. The study included five northern and eight southern projects, typical of the first part of the Division's programme.

In making its study of PWA housing costs, the Bureau used the same measurements it applied to analysis of private residential construction. It eliminated from the computations the cost of non-dwelling facilities such as rentable office space, social and recreational rooms, electrical distribution systems outside of the buildings, major street and yard improvements and such items as trunk line sewers which are integral parts of the city sewer system. The total room cost, including these items, amounted to \$1,074. When they were deducted, as was always done with private building, a room cost averaging \$979 was left. Using the same yardstick with which it measured private residential costs for 17 years, the Bureau came to the conclusion that in some instances, the PWA costs were actually less than those of private enterprise when similar construction was undertaken.

Considerable differential in per room costs was found between Northern and Southern projects, the former averaging \$1,095 and the latter \$828. The average cost of dwelling facilities in a complete living unit for the 13 projects was found to be \$3,549. The range was between \$2,245 for a complete living unit in the Patterson Courts project in Montgomery, Alabama, to \$5,640 for a living unit in the Kenfield development in Buffalo, N. Y.

The conditions both of Government procedure and of the depression years have affected the cost of housing projects. Any contractor, in order to obtain a housing contract, was required to show financial stability that would assure his ability to undertake and complete the work required. The state of the building industry during these years was such that only a limited number of contractors were in good enough financial condition to obtain 'performance bonds.' In a majority of project cities no local contractor could qualify. These protested to the Housing Division and asked that projects be divided into sections in order that they might be in a position to bid. The Director in 1934 ruled that the average construction contract (for projects of from 100 to 400 or 500 units) must be let in one piece. His reasoning was that, if a number of different contractors were working on one job, there would inevitably be many different types and sizes of mechanical equipment in the one project, since, under Government procedure, it is not possible to specify any particular commercial brand. The results of such practice would be, (1) to defeat the possibility of economy in large-scale purchasing, and (2) to make an impossibly difficult problem of maintenance in which the management would be obliged to keep in stock a dozen varied sizes and types of material for the replacement of any one item.

To small local contractors the Director suggested that they pool their resources and submit joint bids. He cited, for example, the case of Boulder Dam where six contractors joined successfully to complete a job far too great for any one of them to handle. However, in only a handful of cases did groups of contractors act on this suggestion.

In most cases the large, well-organized, financially able contractors were alone able to handle such large scale construction. For three years these gentlemen have played a sort of shrewd poker game with the Housing Division in which each has had its share of victories. Under the exigencies of the competitive bidding system it was inevitable that this should be. When competition was keen the bids were low. When competition lagged, or other circumstances intervened, they were high. Early in 1935, when the first contracts were let, the Housing Division had the advantage, for,

after five lean years, even these normally well-fed organizations snapped hungrily at any crumb.

Toward the end of 1935 and in the early months of 1936, these organizations had eased the pangs of starvation. Although far from satiety, they now were inclined to be choosy about their victuals. At the same time the Housing Division, having purchased land, was definitely committed to let construction contracts unless the bids offered were so fantastic as to make abandonment of the projects less costly in the long run.

The pressure of emergency played into the contractors' hands. To advertise for bids, open and reject them, and then to repeat the process consumes at least four months. To lose four months in 1936 (with no assurance that the delay would produce any saving), was to keep carpenters, plumbers, and other workers just that much longer on the dole. It might be held to break faith with a country which had demanded work and not handouts. Here again the conflict between housing and relief became a major dilemma. The Division was being pressed by labour unions, by newspapers, by the public in general to 'get the projects in construction.' The purpose of the housing programme, as stated in the Recovery Act and as constantly repeated, was primarily to provide employment and secondarily to build housing. Under these circumstances the Division had no alternative in 1935 and early 1936 but to recommend the award of any contract that was within sight of a reasonable price.

By the fall of 1936 the pressure of the emergency was relieved to the point where the Housing Division was in a position to resume the poker game on a basis of equality with the contractors. By that time Administrator Ickes was prepared to call a hand to obtain reasonable bids.

What is meant by 'poker game?' Let us look at the story of the bidding on the Brewster project in Detroit. In August 1936, the Housing Division advertised for bids on the contract for this project. In order to increase the field of competition, specifications divided the large project into four sections. Contractors could submit bids on any one of the four sections or on the whole job.

Six general contractors, four of whom were from Detroit, sub-

mitted bids. The Detroit general contractors bid only on sections, not on the complete job. Contractors A and B submitted bids only on sections 1 and 3; contractors C and D submitted bids only on sections 2 and 4. By coincidence, perhaps, contractor A's bid on section 1 was low and contractor B's was low on section 3. On section 2 the coincidence was averted by the fact that one outsider beat contractor C's bid by 1 per cent with contractor D a close third. The outsider did not bid on section 4 and by coincidence, contractor D led the tune with contractor C playing second fiddle.

The Administrator, learning that the lowest total of these bids on the whole project was about \$750,000 over the Housing Division estimates of a fair cost, rejected the lot as excessive and determined to re-advertise.

The Detroit press noted his statement that the bids were excessive and added that 'Government officials hint at collusion in the bidding.' As the Division conferred with the Detroit Housing Commission and the architects to see whether it might be possible to effect any further economy in design, the Detroit papers inaugurated a campaign of ridicule. The *Free Press*, which had previously urged construction, regardless of price, waxed lyrical with the coming of spring and commented on 4 April as follows:

The rains fell and the snows came, and still the project sites, that looked like nothing as much as cemeteries full of tombstones, remained as relics of a grand idea that has not materialized. The snows melted and left behind great canals between the masonry walls, and people thought they were passing a modernistic version of Venice.

The story was enlivened by an ingeniously faked photograph of two men fishing in the flooded foundations of the project.

Early in May 1937, a Chicago general contractor, who had planned to bid on the Brewster project, made a public charge that interests in Detroit were intimidating him. Immediately, the press, scenting a good story, aired the charge and Detroit began to realize that perhaps there was some reason for the acts of 'those fellows in Washington.' The Detroit Building Trades Council wired to Administrator Ickes asking for an investigation of the charge, and he promptly ordered the Division of Investigation to sift it thoroughly.

The net result of the investigation was as follows: A number of

local sub-contractors' associations, in conjunction with labour unions, were discovered to have operated under 'voluntary trade agreements.' The terms of these agreements were such that, unless subcontractors submitted bids within 10 per cent of the average, and unless they obtained a certificate to perform work, the local unions could refuse to supply them with union labour. Half a dozen electrical, plastering, plumbing, and heating subcontractors from Chicago and other cities stated to PWA investigators that they had been informed 'it would be difficult to obtain a certificate.' From the *Detroit Free Press* of 22 May 1937, we have the story of Mr. W. B. Scott, general manager of the Monroe Electric Company of Louisville, who had planned to enter a bid for electrical work. 'An agent from the labour union in Detroit told me he didn't want me butting in on the job,' Scott said. ' "We have enough subcontractors in Detroit to handle the job," he told me . . . I got out because I thought it was the thing to do. After all, we would have to depend on labour furnished us in Detroit, and you know they could furnish you with labour that would lie down on the job.'

Although these stories, headline material for three days, were still in the shadowy realm of rumour and unsubstantiated charges, they coincided—perhaps again by chance—with a letter, published in the Detroit papers, written by Mr. Ed Thal, Secretary of the Detroit Building Trades Council.

In order to set at rest the many rumors and allegations in reference to the Brewster . . . housing project the Detroit Buildings and Trades Council desires to state that under no circumstances will they discriminate against outside contractors and will at all times fully cooperate with any contractor hiring union mechanics . . . It is also understood that no contractor or subcontractor will be refused union labor because his bid is low.

At the same time contractors A and C announced publicly that they would not submit new bids because they saw 'no chance of a substantial reduction in the price of materials' and they did not see 'how the bids can be much lower than the originals.' Privately, a number of Detroit general contractors recognized the exorbitance of the first bids, but claimed, perhaps justly, that since bids on general contracts were no more than an addition of sub-contractors' bids they were powerless to make reductions.

The PWA investigators, well publicized in Detroit despite their

desire for anonymity, gave no statement to the press and, so far as the public knew the investigation ended with their departure. Whether or not their presence inspired Mr. Thal's letter is hard to determine, nor is the connection of necessary importance. At any rate the letter was written and made public. Its immediate effect was to prompt eight general contractors, seven of whom were not from Detroit, to submit bids.

On a hot day early in June, the stage was set for a dramatic performance in the conference room of the Housing Division at Washington. The Washington correspondents of every Detroit paper, several Congressmen, and members of the Detroit Housing Commission swelled the usual bid-opening attendance of contractors' representatives, trade-reporters, and members of the Housing Division. An Assistant Director presided and the Director sat tensely in a corner. When the eight bids had been read, the Director relaxed and smiled broadly. Every one of the eight was under the previous low bid! As a hum of excited conversation arose, the Assistant Director raised his hand to silence the gathering. 'Telegraphic modifications,' he announced, and proceeded to read last minute changes in the bids. Each telegram as read made its sender for a moment the low bidder. Amazed and incredulous, the gathering listened until the final telegram created a new and final low bid from a Chicago general contractor, \$800,000 below the low bid of September!

It is no longer important to prove conclusively the charge of collusion in the first bidding on Brewster. The facts are sufficiently illuminating to explain what we have meant by the term, 'poker game.'

During the winter of 1936-37, Administrator Ickes rejected bids on seven projects in all. In some cases the re-advertising was accompanied by a redesign planned to take advantage of every nickel of possible savings. With time to play poker, the Division succeeded in saving \$2,056,470 over previous low bids. Reporting these savings to the Administrator, the Director said: 'In many cases, this meant delaying construction of these badly needed projects for as long as six months or more. However, the savings effected certainly made the delay advisable.'

During these months of delay the Division was, as has been seen from the Detroit newspapers, unmercifully belaboured. It is gratifying to note that, the moment lower bids had been received and approved, vindication was no less complete. The press generally throughout the country noted and commented favourably on the action taken in Detroit.

There is one more important element of difference to be noted when comparing the cost of PWA housing projects and that of private residential construction. Critics divide the total construction cost of a housing project by the number of dwelling units and then claim that the cost per unit is high, compared with that of private construction. They almost invariably fail to state that the figure quoted includes many items which do not enter into the construction of a single dwelling or even into the average apartment building. In practically every housing project the total construction price includes the cost of community facilities, such as social rooms or community building, street paving, and frequently new sewers; sometimes it includes stores and clinics and always it includes landscaping. Now many of these items are provided by the municipality in connection with private construction and the cost, while it does not show up in the construction contract, is paid for by taxes.

To attempt direct comparison of the two types of construction would be no more accurate than if one were to claim that the construction cost of a house in a community of, say, 100 houses, was one hundredth the cost of the whole community with its homes, streets, stores, parks and playgrounds. Only by stripping the contract price of housing projects down to the cost of dwelling units alone, is it possible to attempt an accurate comparison.

The Bureau of Labor Statistics has made comprehensive studies for eighteen years of building costs in the major cities. Its records are both complete and authoritative. It subjected the costs of completed Housing Division projects to careful analysis of every subcontract, of wage scales, and man hours of work provided. These studies as yet cover only the earliest projects for which construction contracts were let in 1935 before the great rise in price, and for that reason, cannot be considered compreh-

hensive. Yet, although the unit costs of Housing Division projects for which contracts were let in 1936 and 1937 were higher, private builders were also faced with the same increases and any comparison between the products of public and private enterprise is not invalidated.

The construction cost per dwelling unit of 'Techwood Homes,' Atlanta, Georgia, compared with the cost per dwelling unit of various types of private residential construction in Atlanta *built at the same time and both computed on the same basis* is as follows:

Techwood Homes, (brick, fireproof)	\$2,694
Single family Houses (brick, non-fireproof)	\$3,786
All types (26% of which are frame, non-fireproof shacks)	\$2,519

Note: Wage Scales paid on Techwood Homes were union rate—average for private construction was about 10% less than union rate.

The same comparison between 'Parklawn,' Milwaukee, and private construction in Milwaukee in 1935 is equally illuminating:

Parklawn (brick, fireproof)	\$3,755
Single family Houses (non-fireproof, brick)	\$5,690
Single family Houses (frame)	\$5,580
All types	\$5,360

Here again wage scales paid on the private work were less than those paid on the Housing Division project.

Although it is too early to be dogmatic, these tables indicate that the Housing Division's construction costs will stand comparison with any but the cheapest frame buildings built by private enterprise at the same time and under similar conditions.

The fact is that most of those who have criticized the costs of the Housing Division projects use this criticism merely as a smoke screen to hide their true objection, which is usually fear for loss of business. With this fundamental prejudice as a foundation, they employ any plausible argument and arrange any figures to justify their prejudice.

Although the letting of contracts has been the most conspicuous part of the construction programme of the Housing Division it is, in fact, no more than the briefest prelude to long months of hard, exacting and unheralded work. In the original plans for the organization of the Division it was decided to establish field offices in every project city under a District Manager. In addition, the In-

spection Division of PWA maintained project engineers to pass on the performance of contractors on every project.

The Housing Division's District and Project managers were selected from the fields of engineering and contracting and, without exception, were men of wide experience in construction. They soon found, however, that their duties were broader than the mere direction of construction work. The public interest in housing in every city transformed them of necessity into the role of ambassadors of the Housing Division. They were asked for speeches before local civic organizations, and they found themselves writing articles on housing for newspapers and magazines. They were constantly in touch with the local Advisory Committees or Authorities and usually handled all necessary negotiations with municipal officials. The jobs as they have turned out are considerably different from what had originally been planned but it must be said for the managers that, on the whole, they have fulfilled unfamiliar tasks with great distinction.

Very few have made the mistake committed by a District Manager in a western city. This somewhat naïve gentleman had, like all other managers, been instructed in his responsibility as a public official to make clear to the public just what the Housing Division was doing in his city. After several inept and abortive attempts to interest the local press in his project, he wrote an official form letter to the members of the Advisory Committee somewhat as follows:

Dear Mr.-----:

I have tried a number of times to enlist support of the Morning Bugle and the Evening Press for our project but I don't seem to get anywhere with them. Since you are a member of the Advisory Committee and since your business advertises extensively in these papers I am appealing to you to use your influence to obtain better results.

Needless to say, the moment a copy of this remarkable letter was received in Washington, the manager was ordered to retract his suggestion and to apologize formally to each recipient of such effrontery. Although this incident was unique in its stupidity, it is cited here lest anyone who may have heard of it believe that it represented official Housing Division policy.

The District and Project Managers have been faced with every conceivable problem. As the depression waned, they had to con-

tend in virtually every city with strikes that are the harbingers of better times. Construction was delayed in some cities as much as three and four months because of jurisdictional disputes.

Weather conditions were a source of constant tribulation. The blizzards of 1935-36 stopped foundation work on northern projects for as much as two months when contractors could not have cracked the frozen ground with dynamite. The Ohio River in 1937 flooded out for weeks the work in Cincinnati, Louisville and Evansville.

What about careful site selection?

Even tropical hurricanes contributed to the trials of the field staff. Aggregate for concrete in the Virgin Islands is brought by barge from neighbouring islands. The Virgin Islands projects were ready for concrete in the fall of 1936 but hurricanes kept the stone barges at anchor for weeks until they could make the treacherous passage without fear of capsizing.

Since the primary objective of the housing programme has been to provide employment in trades and professions hard hit by the depression, it would be well to review here the achievements of the Division in the provision of jobs.

The benefits of the programme have been largely concentrated in the fields of land acquisition, design, and construction of projects.

An approximate total of 3,000 surveyors, aerial photographers, appraisers, negotiators, and title searchers was employed by the Division. They earned \$883,148.35 or \$294 per man.

For the design of projects the Housing Division made contracts with architects only. It was their responsibility to employ and pay for the services of engineers, landscape architects, and draftsmen. Approximately 2,200 men in these professions have been given employment in contracts totaling \$3,966,421.29. Out of this sum total architects of course paid office rent, the cost of supplies, and wages of clerical personnel, so that the net benefit per man is probably much lower than the apparent figure of \$1,800, with a wider spread of benefits.

It is virtually impossible to state with proper significance the number of men who will have benefited from employment in



THE ISLAND POSSESSIONS ARE NOT FORGOTTEN: Charlotte-Amalie, Virgin Islands. Tourists need not apply for these houses; they rent for \$3 and \$6 per month to native families formerly living in shacks made from empty gas cans and packing cases.

actual construction. A count of the actual names of men employed would not give a true picture for many were—as is always the case—inefficient or shiftless workers who were laid off in short order. (These men were working for private contractors, not a Government relief agency.) In some of the unimportant trades, the work was completed so rapidly that the employment given was negligible.

In order to give the truest picture of employment we have hypothesized the average worker, John Brown. John Brown worked about 140 days on a PWA housing project and earned \$790.00. He had about 47,474 co-workers.

The total pay rolls for all kinds of workers on the sites of housing projects and the total man-hours of work performed have been estimated as follows:

TRADES	ESTIMATED MONEY	ESTIMATED MAN-HOURS
<i>Grand Total</i>	\$40,535,000	43,847,800
Professional and technical	3,080,700	2,411,600
<i>Sub-total of all trades</i>	\$37,454,300	41,436,200
Bricklayers	4,175,100	3,420,100
Carpenters	4,945,300	4,604,000
Cement finishers	1,824,100	1,973,200
Electrical workers	2,026,800	1,841,600
Glaziers	324,300	306,900
Hod carriers	405,300	613,900
Iron workers	1,175,500	1,096,200
Labourers (general)	5,391,100	10,338,200
Lathers	1,337,700	1,140,000
Machine operators	932,300	964,700
Painters	2,310,500	2,148,500
Plasterers	2,472,600	2,060,900
Plumbers	3,972,400	3,551,700
Roofers	648,600	701,600
Sheet-metal workers	567,500	570,000
Steamfitters	1,053,900	1,008,500
Stone setters	486,400	560,000
Tile layers	1,043,900	1,237,700
Miscellaneous	942,300	1,227,700
White collar workers	1,418,700	2,070,800

Using the index ratio for indirect employment supplied by the Bureau of Labor Statistics of 2.5 to 1, it follows that the ultimate

benefit to workers created by the Housing Division's programme will amount to about 153,467,300 man-hours of employment.

Because the Housing Division did not feel justified in experimenting with untried methods and materials, there have been no startling innovations in construction technique. Specifications have been drawn on familiar lines and construction has been carried out according to accepted practice.

A play-by-play account of construction work on Housing Division projects would read much like that of the construction of a skyscraper. It is a tale of organization, of meticulous attention to a myriad of details, and it is, on the whole, familiar to the average man.

With few exceptions, due almost entirely to strikes or weather conditions, construction schedules have been maintained and projects completed on time. The comparative lack of recordable events in the history of Housing Division construction is testimony of the unspectacular efficiency of the Construction Branch of the Division, the Inspection Division and the contractors.

CHAPTER VIII

A CITY FOR RENT

As soon as the federal programme was launched the Division truly perceived the hugeness of the management problem; for the construction of 21,800 dwelling units owned by the United States would automatically create the greatest landlord-tenant relationship in the country. Here, in total, would be a city for rent. How would these projects be managed 'under public regulation and control?' Should title remain in the United States with management by federal or local authorities? Should they be sold to local interests, and if so, what type of buyer would qualify? The Recovery Act referred to low-cost housing and slum clearance housing projects but said nothing about qualifications of tenants. Should these projects be thrown open to all comers? If the Government operated them, what form of tenant selection would be possible? These and thousands of other questions rose up like a swarm of locusts to plague Administrator Ickes and members of the Division who were already in the torment of launching a construction programme.

It is doubtful whether legislators and their advisers in the spring of 1933 had much time to consider the fate of the housing projects that were to emerge from the construction programme. To determine, in drafting the Recovery Act, the most expeditious, honest, and permanently satisfactory means of spending \$3,300,000,000 was a problem of sufficient magnitude to tax the utmost capacity of a hundred men working for at least a year. It is not surprising therefore that in the few months available in the emergency they could not cope with what, in the broad picture of relief, was no more than a detail of administration. That they were aware of the fact that management of housing projects would constitute a problem is evident from the wording of that section of the Act which authorized the housing programme. It specified that projects con-

structed should be 'under public regulation or control.' Yet, from its very birth the Housing Division was concerned with the administrative definition of this phrase. It was clear that the wording was too vague to express clearly the intent of the Act and that, as written, it was subject to as many divergent interpretations as there were persons to interpret.

The first practical question to arise was in connection with the limited dividend projects. In states blessed with legislation similar to that of New York, public regulation or control clearly meant regulation or control by state boards of housing expressly created to fulfil the function. But what of states like Pennsylvania, Virginia, and Missouri, where the Housing Division had limited dividend projects and there was no state legislation for proper regulation and control? What of the applications for public housing projects from cities which had no legal housing authorities?

The first building loan contract, that with the Boulevard Gardens Housing Corporation, dated 30 October 1933, contained provisions to govern the management and operation of its limited dividend project in New York. Jointly with the New York State Board of Housing the Housing Division reserved power to regulate rentals and tenant selection, to control fiscal policy, and to require proper physical maintenance of the property. In fact, under the terms of the loan contract the Housing Division had the right to control virtually every phase of management and operation, so long as the mortgage was not paid up in full. Loan contracts for the other limited dividend projects were in similar form save that in Alta Vista, Virginia; Philadelphia, and St. Louis; where no state boards of housing existed the Federal Government had unique control.

Actually this omnipotent power was not used, nor in all likelihood will the need for its use ever arise. The sponsors of the limited dividend projects had undertaken them for the primary purpose of providing decent homes for families of as low income as the financial terms would permit. They were not interested in speculative profits. As a consequence the Housing Division confined use of its power to audit of books and establishment of rent schedules where these were not limited by law.

Although there was, in the winter of 1933-34, considerable concern for the management of limited dividend projects, in actual practice, it proved to be reasonably simple insofar as the Housing Division's interest is affected. The Division gave sponsors free scope to develop their projects as they saw fit, so long as financial obligations were satisfactorily discharged. It stepped in only once when the sponsor of one project failed to meet interest and principal payments as a result of fiscal policy. After revision of rent schedules which quickly filled vacant units, the Housing Division retired from active participation in the management of this project.

The policy of local autonomy so well illustrated in the operation of limited dividend projects is one that the Division always hoped to be able to apply to the so-called Federal projects as well.

Statements of Administrator Ickes have frequently stressed the desirability of decentralization. He realized that nowhere was the intimacy of local control more necessary than in the human relationship of landlord and tenant. Yet, when the programme of Federal projects was launched, only New York City had an Authority sufficiently well staffed and financed to warrant assuming control of its projects. A majority of cities had no authorities whatsoever, even such as existed in name only.

In the summer of 1937, the two New York projects, Williamsburg Houses and Harlem River Houses, were leased to the New York City Housing Authority to operate and maintain. The period of the lease, one year, did not mean that the Government planned to recapture its projects but only that, the procedure being experimental, neither agency wished to be tied to specific formulas for a longer term. The lease may be extended or revised at the end of this period.

The New York leases provided that the Housing Authority was to have complete jurisdiction over the projects so long as payments were made, conditions of the George-Healey Act met, and rents established by the Housing Division charged. The Government reserved the right of entry for inspection and audit of books but otherwise kept hands off.

The responsibility of undertaking such a venture was so enormous that no authority not well staffed and adequately financed

could hope to emulate the example of New York until passage of the Wagner-Steagall housing bill of 1937. In fact a number of them stated as much to the Housing Division. Their desire was to wait until the projects were going concerns with no further out-of-pocket opening expenses and then to apply for leases from the Government.

Even where the Administrator, in 1934, hoped that competent authorities would be functioning by the time the projects were completed, a comprehensive definition of policy was necessary. In many ways the delays caused by impounding of funds and the acquisition of land following the Louisville decision proved to be blessings in disguise. They created greatly needed interludes during which policy could be formulated in an atmosphere conducive to contemplation rather than to frenzy.

The first practical problem confronted by the embryo Management Branch was the relocation of persons dispossessed by slum clearance. At a meeting called by the National Association of Housing Officials in Washington in the fall of 1934, a number of foreign housing experts outlined the essential elements of relocation and warned the Division of its inherent difficulties. Recognizing the fact that the Government had no legal obligation to re-house the slum dwellers whose homes were to be razed, they claimed that as a matter of public policy the Housing Division had a solemn moral obligation to do this and do it well. The Administrator acknowledged this responsibility and organized the first working section of the Management Branch to handle relocation.

Of the 35 inhabited project sites in the programme, the Division handled relocation on 33. In New York the work was done by the New York City Housing Authority in conjunction with the Works Progress Administration. In San Juan, Puerto Rico, the Insular Government took charge of re-housing.

A total of 8,947 families was dispossessed. Of these about 50 per cent were moved into better quarters at the same or less rent than they had paid in the slum. About 25 per cent moved into better quarters at higher rents and the remainder moved into dwellings equivalent to or slightly worse than those vacated.

The natural inclination of most families was to remain in the

same neighbourhood. Frequently, however, it was impossible, for the very reason that these areas were slums, to find any homes fit for occupancy. In such cases the Housing Division relocators would recommend dwellings in more remote areas. There was, of course, no compulsion on the slum families to accept these recommendations and where they preferred a familiar neighbourhood to a decent home, they made up a large part of the 25 per cent whose new homes were no better than the old.

Housing Division representatives also found truckers to aid in moving at reasonable prices and in one instance at least enlisted the local fire department to move coloured families in the gaudy splendour of a vermilion hose truck.

For some months complete before-and-after records of relocation were kept from which that of Toledo is typical:

Information Office was established in a building purchased by the Government for demolition along with the others. Personnel was furnished by the Toledo Metropolitan Housing Authority and Works Progress Administration, but supervised by a member of the Housing Division, and was constantly on the street trying to locate vacant houses. In addition to information furnished tenants who called at the office, block workers were assigned to each block and made daily calls on tenants, furnishing them with lists of available vacancies and maintaining personal contacts until families actually moved.

Free transportation was available at Field Office for tenants who needed this assistance. This service was furnished and paid for by the local Housing Authority, who also made many rent advances to those who were unable to provide first months rent to their new landlords.

Relief cases were handled by Lucas County Relief Administration even though they had many cases of their own to care for entirely outside the slum district to be cleared.

The first family was moved on December 10. At this time the Real Estate Board reported a shortage of 6,000 living units, with only four vacant houses out of a total of 1200 units, and two of these were undergoing repairs to make them habitable. At a joint conference between Washington Housing Officials and various local organizations, various ways and means were discussed, even to the extent of using idle steamers in the harbor or obsolete box cars. Funds were finally made available to the Authority to recondition abandoned houses that owners refused to repair because of their fear that rental returns would not justify the expenditure. Nevertheless, between December 10 and February 1, ninety-three of the 203 families and four of the 17 businesses had moved . . .

There were a few persons who took advantage of the fact that Housing Officials consistently refused to resort to eviction proceedings in order to clear properties. Tenants often remained on purchased property even when decent vacancies were found for them, in order to dodge rent payments. No such leniency is shown by rental agents and others representing private property owners as is evidenced by the large number of eviction proceedings brought daily in the City Courts. 'Pay or Move' is the order of the day in most cases.

In spite of many trying situations, the last family was moved from the Brand Whitlock project by April 15 without resorting to eviction orders.

The reference to tenants who refused to move recalls the tale of what came to be the Division's prize legend of squatting. In Wayne, Pennsylvania, the Division built a project on what had been one of the worst slum sites in the state. Among the parcels acquired was one owned by a local building and loan society. About a year before the Housing Division's purchase the building and loan society had been forced to foreclose the mortgage on a hermitic and belligerent widow whose payments were in default. She had been allowed to remain on the premises in order that the property might be protected against vandalism. However, she regarded this permission not as sufferance but as her inalienable right, since default and law notwithstanding, she still claimed title to the property.

Informed of the sale to the Government, she said that was fine but that she would stay put until the building and loan society paid her off at a satisfactory price. Members of the building and loan society and the Housing Division patiently explained that no money was due her, that she had no right to remain, that in refusing to move she was guilty of trespass on United States Government property—to no avail. Armed with a huge, nail-studded timber, the lady dared them to evict her.

By chance it happened that in the project plans this property was not to be built on but was to form part of the playground. Consequently her continued squatting would not impede construction of the project. Since the framers of the Recovery Act did not foresee such an impasse as this, the Housing Division had no power to effect forcible eviction. For months, as excavators dug trenches all around the property, she held on defiantly and the Housing Division lawyers pored over their lawbooks to find con-

stitutional means to dispossess the tenant. After more than a year the little shack was almost completely submerged in the rising tide of construction. Its windows looked out on mountainous piles of brick and lumber; its yard was full of scaffolding; and the woman still waved her timber menacingly at those who asked her to move.

Eventually the lawyers discovered that jurisdiction was in the Department of Justice. Procedure required that the Administrator address a formal letter beginning, 'My dear Mr. Attorney-General,' solemnly outlining the details of the case, and ending with a request that the Attorney-General take appropriate action. The Attorney-General in turn replied, 'My dear Mr. Secretary,' and said he would take action. The squatter treated overtures of the Department of Justice with the same scornful disregard and not until, as a last resort, the G-men were ready to act did she begin to weaken. At this writing she was still in possession but the most recent *communiqués* quoted her as saying she would depart but of her 'own free will.' It must be admitted that in the case of the redoubtable squatter *v.* the United States, she won at least a moral victory. We may hope that she was permitted to evacuate with flags flying and drums beating.

Few of the problems of relocation were as diverting or perplexing as this case. In the main they called for patience, ingenuity, and sympathy. The record is not perfect—no handling of such controversial work could be.

Although for about a year in 1934-35 relocation of slum dwellers was the most important practical problem of the Management Branch, its nature was recognized as only temporary. The major work was the determination of long-term policy and the development of an organization to manage completed projects.

In its study of privately operated projects the Branch found that no two projects used the same accounting system, so that it was impossible to make comparisons of the operating efficiency of any two. Accordingly, the Branch after long study and experimentation developed a 'classification of accounts.' This was a standardized yet flexible form so set up as to permit direct comparison of any expense in the smallest project with the same item in the largest project. Thanks to the 'classification of accounts,' the Divi-

sion could tell immediately whether the heating of a small southern project, like University Terrace, Columbia, South Carolina, was efficient by comparing the cost with that of, say, the huge Old Harbor Village, Boston.

With slight variation the classification of accounts could be applied to any type or size of private project, from the most modest 4-apartment building to huge developments like Knickerbocker Village in New York City. Private building managers, conscious of the need for some such uniform system to improve efficiency through constant check with similar types of building, have hailed this form as a major contribution to the science of building management. A large and ever increasing number adopted it.

Another important innovation in accounting, developed by the Management Branch, was its system of figuring depreciation. The customary method of private operators was to say: 'This building will operate effectively, for instance, about 30 years. We will set up an annual reserve sufficient to replace the building at the end of that time.' As a matter of fact buildings do not depreciate in this manner. Each component part, plumbing, heating plant, roofing, etc., has a different life span. The Housing Division, recognizing this, established a totally different system of amortization. The normal life of the particular heating plant in any given project was determined, say, at 30 years. Into the annual reserve fund is figured an amount which would, in 30 years, be sufficient to provide for replacement of the heating plant. The life of the electric fixtures is about 15 years, so funds were set aside to replace them at the end of that time. And so on down the line.

The result was first, economy, in that almost any arbitrary amortization fund is excessive, and second, greater convenience, in that the manager is certain of funds to make necessary replacements immediately they are needed.

Although financial policies concerned with the operation of projects have been mentioned it would be well to review them again briefly. As a result of joint recommendation of the Branches of Initiation, Plans and Specifications, Law, and Management, Administrator Ickes suggested that projects should:

- (1) Pay to cities a charge in lieu of taxes, when requested, for necessary services rendered.
- (2) Receive a capital grant of 45 per cent.
- (3) Pay no more than 3 per cent interest on 55 per cent of cost.
- (4) Be amortized in 60 years.

On 10 October 1935, the Comptroller General ruled that the Housing Division could not pay a service charge to cities without specific authorization from Congress. On 17 January 1936, he ruled that there was no authority under the Recovery Act of 1933 to make grants on housing projects. These rulings focussed attention on loopholes in that Act.

Housing Division lawyers and managers had already perceived three serious questions of operation not answered in the Recovery Act. First, was the disposition of income from projects. Under long existing statutes all moneys paid to the United States go direct into the Treasury unless by law they may be diverted or set up in a special fund. This meant that, without specific legislation, all rents on projects would revert to the Treasury and the Division would be required to get annual appropriations from Congress to pay operating expenses.

Second, was the status of tenants of the projects. In general, persons living on United States property have no clear-cut civil status. They may not be arrested by local authorities; their children may not be eligible for admission to local schools; they have no right to vote. Obviously there was need for a determination of the tenants' status.

Third, there was nothing in the Recovery Act to establish the qualifications of tenants. Under existing legislation the millionaire and the indigent were on an equal footing.

Gradual accumulation of these many obstacles made it obvious that no project could be operated without additional legislation. In the spring of 1936, Senator George of Georgia and Congressman Healey of Massachusetts sponsored a bill suggested by the Housing Division to mop up these obstacles. It was passed without opposition and became law when the President signed it on 29 June 1936.

Although the Act is printed in full in the appendix, a résumé of its principal features follows:

- (1) The Housing Division was permitted to write off 45 per cent of the capital cost of any project. The Administrator was given authority to fix the rate of interest to be paid on the remaining 55 per cent and also the period of amortization, providing it did not exceed 60 years.
- (2) Civil and criminal jurisdiction over the projects and their tenants was ceded to the states or political subdivisions.
- (3) Payments in lieu of taxes might be made to cities when requested and should be based on agreement between the Administrator and municipal authorities. These payments and all other expenditures for operation and maintenance were to be made from operating income.
- (4) No family could obtain a home in a project whose income exceeded five times the rent or whose living conditions were satisfactory at the time of investigation.

With the enactment of this law the Housing Division had at last the necessary powers to make operation of its projects possible. Yet even within the framework of the law there was considerable scope for interpretation. Standards of sub-standard housing, of over-crowding, and of preference in the consideration of applications were necessary if the Act was to be administered in the proper spirit.

In the summer of 1937, when the bulk of projects was ready for occupancy, the Division published a pamphlet called 'What I want to know about PWA Housing.' Written in the simplest language, it aimed to tell the interested wage-earner whether he might be eligible to lease a dwelling. Let us examine a few of the standards established.

Q. How does the Government decide who is to live in these projects?

A. The Government will rent only to families who cannot get decent homes at a price they can afford and who are now living in bad or crowded housing. Tenant's income must be sufficient to pay the rent required but the income cannot be more than five times the rent in projects where heat and light and fuel for cooking are included in the rent. In projects where any or all of these things are not included the income cannot be more than five times the rent plus the estimated cost of these things.

Q. How does the Government know whether I can get a decent home at a price I can afford?

A. By checking your income against prevailing rents for standard housing in the city. The Government has set the rent in this project that will permit wage earners to live in decent housing. If your family income is no more than five times the rent (as explained in Question 1) of the size home you

need in the project, and if you are now living in a bad or crowded home, you may be eligible.

Q. What does the Government mean by 'bad housing?'

A. Any home that has one or more of the following defects would be considered as bad housing.

1. Leaking roof or walls.
2. No heating equipment (where it is necessary).
3. No running water.
4. No private toilet.
5. Plumbing that doesn't work.
6. No electric light.
7. Need for major repairs like broken stairs or windows, etc.
8. Inside rooms used for living purposes without windows.
9. Bad neighbourhood.

Q. What does the Government mean by 'overcrowding?'

A. If, in order to be able to pay the rent, you have to share a home with another family or if your home is so small that more than two people have to sleep in every room then your home is 'overcrowded.' Because such conditions are bad for your health and peace, the Government has rules for the number of people who can live in the different sized homes in this project.

1. A 3-room home has one bedroom and one living room. The Government says two people can sleep in the bedroom, one in the living room. Children under 2 years of age are not counted. If your family consists of yourself and wife, one child over 2 years of age and a baby, you could live in a 3-room home.
2. A 4-room home has two bedrooms and a living room. Just as in the 3-room home two people can sleep in a bedroom, so that a family of five and such children as are under two could live in the 4-room home.
3. Most 5-room homes have three bedrooms, so that seven people and any babies could live in them. The above examples cover the most common sizes of homes. If, in this project there are 2-room or 6-room homes, or if you do not completely understand this rule, some one in the management office will be glad to explain it in detail.

Q. What does the Government mean by 'family?'

A. By 'family' the Government means a man and his wife and children and any relatives who normally live with them, like mother-in-law or young sister, etc. It also means a working mother with children. It does not mean, for instance, a man and his family and his brother and his family, because this would be two families. Whatever makes up an existing natural family group is a family according to the Government's definition in this case. Of course, no lodgers or friends can be considered as part of a 'family.'

A single person is not a family.

Q. What other requirements must I meet?

- A. The management must be sure that you can pay your rent and that you get on with your neighbours. Beyond this, there are no other requirements.
- Q. If I can meet these requirements, will the management rent me a home?
- A. If your application shows that you can meet these requirements, you will be certified as eligible. But, because there is usually an average of three or four applications for every home, it is not certain that you will be able to get one. Preference will be given to eligible families whose applications show the greatest need.

As of 15 September 1937, approximately 78,000 applications had been received for the 21,800 available dwellings. Every one had to be examined minutely to determine the applicant's eligibility. Of course many, on the face of the application, were ineligible either from the standpoint of income or of family composition. But at least 70 per cent, or approximately 54,000, required a personal investigation of the family. Incomes had to be carefully checked, since in many cases families would attempt to conceal some source of revenue in order to appear eligible. Their homes had to be visited and carefully rated according to the degree and extent of inadequacy. The financial reliability of families had also to be rated, for, despite the purpose of housing low income families, the laws under which the Housing Division operated required that projects be amortized, which in turn meant that rents had to be paid. A high percentage of delinquency would force the Division to raise all rents in order to meet amortization payments and would of necessity work against the interests of those low income families who were reliable and in need.

Since the actual selection of tenants by a governmental agency might conceivably lead to the charge of political favouritism, the Housing Division confined its part in this work to determining eligibility. This much is a question of fact, for an applicant either is or is not eligible, according to clearly defined and publicly known rules.

In every city the actual selection from a list of eligibles was made wholly independent of the Housing Division by the local housing authority or advisory committee. In practically every city the list of eligible applicants far exceeded the supply of dwelling units. Local authorities or committees in every case gave preference to



EVEN MIAMI HAS A HOUSING PROBLEM: *Liberty Square houses Negro families at an average rent of \$3.73 per week in these desperately needed dwellings.*

applications that indicated the greatest need without consideration of any other qualification.

A reasonably accurate estimate of rents required was established in the first stages of initiation. Based on the financial premise of 3 per cent interest, 45 per cent grant and 60 years amortization, these estimates were substantially realized and in four cases actually were beaten on projects for which the construction contracts were let in 1935 before the rise in construction costs.

Examples are the following rents on a per-room, per-month, basis:

	ORIGINAL ESTIMATE	ACTUAL RENT
Techwood Homes, Atlanta	\$7.06*	\$7.39*
Liberty Square, Miami	4.33	4.99
Wm. B. Paterson Courts, Montgomery	4.50	3.97
Parklawn, Milwaukee	8.00*	7.46*

*Includes light, heat, hot water, cooking and refrigerating fuel.

It was necessary, in order to produce rents as estimated in 1934-35, to reduce somewhat the interest rates on projects for which construction contracts were let subsequent to the rise in material costs.

Two systems of computing rents were established. First, in those cities where the Division was able to negotiate advantageous service contracts with the utility companies, the cost of electricity and perhaps gas was included in the rent. In most cities the cost of heat and hot water was also included in the rent. These inclusive rents have often been compared unfavourably with existing slum rents by critics with incomplete knowledge. Now, the average slum rental is based on the provision by the landlord of four walls and a roof over the head. All else is extra and must be supplied by retail purchase by the tenant, so that a \$7.50 per room, per month rent in a PWA project providing heat, hot water, electric light and refrigeration, and gas for cooking, was about equivalent to the average \$5 per room per month tenement rent.

The second system has been used in cities where the Housing Division was unable, for whatever reason, to negotiate satisfactory contracts with utility companies. There the rent covered dwelling and water (and where necessary or advantageous, heat) and the

tenant pays for other services as he did previously—by individual negotiation with the utility companies.

The average base rent (that is, without services) on 18 PWA projects in operation in September 1937, was \$5.37 per room, per month. Average slum dwellers thus paid a premium of \$.37 per room, per month, for sunlit, airy, comfortable and fully equipped dwellings; for equipped and well protected playgrounds; for open landscaped areas where they could find peace and quiet after the day's work; for ample social rooms where they might meet with their neighbours away from the customary congestion and confusion of their former dwellings. This is in a sense an insurance premium paid to insure life in its fullest measure contrasted with the false economy of bare subsistence.

It would have been more desirable to produce even lower rents but under the limitations of the George-Healey Act, and current construction and land costs, it would have been difficult even to recreate the slum dwellings wiped out to rent at much lower prices. If any substantial reductions in rents of adequate urban housing projects were to be effected in a future programme, it was evident that they could be produced only by increasing the subsidy.

As a rule it was not possible to set rents more than two or three months before the completion date of a project. Obviously no applications could be intelligently examined until the rents were established. From that time to the opening date, temporary and competent personnel had to be appointed to make the investigations, a leasing office had to be established, and all the mechanics of opening up for business had to be put in motion. A thousand matters of local policy had to be settled. The man on whom responsibility for this concentrated and complicated work fell and who had henceforth to stand for the success or failure of the project, was the Housing Manager.

From the very beginning of the housing programme it was evident that unemployment relief and slum clearance were no more than the most momentary preludes to the long-term pull of 60 years' operation. In the fall of 1934, two years before the first project opened its doors, the Director began to look for men with the

necessary ability, personality and philosophy to manage these projects. He once described the specifications for the ideal housing manager as 'the merger of a business executive with a parish priest and a dynamo.'

To say that such men were hard to find is to underestimate the problem. In fact the only men who even approximately filled the specifications were the managers of the few conspicuous limited dividend projects in cities like New York, Chicago, and Pittsburgh.

On 29 October 1934, the Director called a conference of experts to consider ways and means of training persons for this new and exacting profession. Under the auspices of the National Association of Housing Officials, two of the outstanding European housing managers, Miss A. J. Samuel of England and Dr. Ernst Kahn of Germany, participated. Coleman Woodbury, Director of the National Association of Housing Officials, presided.

Out of this conference came significant developments. The Director of Housing reported that, under Government procedure, it was impossible for the Housing Division to assume the cost of training managers. To break this impasse, Mr. Woodbury succeeded in obtaining a grant from the Rockefeller Foundation to establish a training school for managers of PWA and Resettlement Administration projects to be conducted by the National Association of Housing Officials. Since there was no immediate need for managers a year passed in preparation of the programme and the selection of students.

The school, under the direction of Mr. Donald Slesinger, Associate Dean of the Division of Social Sciences at the University of Chicago, opened on 12 December 1935. In four months of intensive training, 71 candidates (including those designated to manage the Resettlement Administration projects) were instructed in maintenance and operation, tenant relations, housing law, the nature of slums and blighted areas, public relations, accounting, and Government procedure. Students spent five weeks in Washington, six weeks in the field studying the actual operation of both private and PWA limited dividend projects, and finally another five weeks in Washington to complete the course. Since every student had been hand picked on the basis of past performance for intelligence,

ability, and adaptability, it is not surprising that every regular PWA candidate has subsequently been appointed to manage projects as they have been opened.

Since the majority of projects were not to open until 1937 and very few prospective candidates for managerial positions could afford to wait for appointments on these later projects, the student roll was confined to those who looked for early appointment. It was hoped that a second session of the school could be arranged late in 1936 in order that every future PWA manager would have the benefit of this splendid training. Unfortunately, it was not possible to obtain the necessary funds.

Although the managers appointed in 1937 did not take the course of the National Association of Housing Officials training school, this is not to say that they missed its benefits. Members of the Management Branch, thoroughly familiar with all phases of the work, were assigned for six weeks or two months' temporary duty on the completed projects. They conducted tenant selection and installation of tenants with the permanent Manager constantly at their side. By the time these management supervisors turned the completed and occupied project over to the Manager he was well broken in.

Thanks to the lessons of the original school, it was possible to give new managers a thorough, if highly concentrated, course of instruction before they were called on to perform the complex duties of their position. No manager was appointed without extensive conference with local authorities on his qualifications. In one or two instances the Housing Division was forced to choose between candidates of dissident groups but the great majority of appointments have been made in a spirit of harmony between Federal and local authorities.

Such harmony is essential to the success of the projects, for, as they are inhabited, they begin to lose the character of Federal operations and take on the character of purely local institutions. Whereas during construction they seem to local citizens to be impersonal and governed by remote control, the very act of filling these dwellings with the John Smiths and Mary Browns who have

long been known to the neighbourhood, immediately transforms them into living, intimate, entities.

It was in this creation of life that the PWA's arduous and frequently discouraging work of four long years found both justification and a richly satisfying fulfillment. Twenty, perhaps even ten, years from now the visitor to Williamsburg Houses or any of the other 50 projects probably will not know that they came to be only because carpenters and bricklayers and plumbers were desperate for work during the 1930-36 depression in the building trades. He will judge their merits not on the number of man-hours of employment furnished in construction, not on the amount of public subsidy required to make them available to the hardworking self-respecting families whose toil has built our cities and whose reward to date has been virtually nil. He will suspect, logically if inaccurately, that they were built to provide decent homes for those whom an unbalanced economic system had deprived of decent homes.

CHAPTER IX

TO LIVE AS AMERICANS SHOULD

'We are working toward the ultimate objective of making it possible for Americans to live as Americans should.'

Franklin Delano Roosevelt.

It has been said many times in this story and it is again repeated: the fundamental purpose of a housing programme is not to provide emergency employment, nor to clear slums, nor to satisfy the ego of professional housers. The purpose is to provide housing for those who need it.

Thus the success of a housing programme can only be judged after the carpenters and plumbers have locked their tool boxes and gone their way. Their work is complete only when the smell of fresh paint gives way to that of cabbage, the din of hammers to that of radios, and it is only then that we may begin to judge fairly the value of the labours that have gone to make the PWA housing projects.

Before life in these projects can be studied, one must know how many, and what kind of persons live in them. As of 1 February 1938, twenty-seven federal projects, and all seven limited dividend projects were occupied. In the federal projects in operation longer than one month, 2.7 per cent of nearly 10,000 dwelling units were vacant; 97.3 per cent were occupied. In the limited dividend projects, all of which had been in operation about two years, vacancies were even more rare. The figures seem to indicate a favourable reception of this housing from those for whom it was built.

What are the incomes and habits of these families who have so eagerly seized the opportunity offered them? Are they, as everyone (including the professional housers) hoped, those families so touchingly described in the newspapers at Christmas time as 'The Hundred Neediest Cases?' They are not. They are not families on



ONE MILE FROM HULL HOUSE: Jane Addams Houses in the Slum Area
made famous by Chicago's 'First Citizen' will continue her work of
ameliorating the lives of slum dwellers.

relief, housed now in shanties whose roofs leak and threaten their children with pneumonia; they are not families whose breadwinner despairs of winning his daily bread.

Because they are not, certain critics, to whom the concept of Government housing (whether successful or not) is anathema, brand the programme as a failure. They see in these projects families whose annual incomes range from \$700 in the South to as much as \$2,000 in New York City. Many of these families own automobiles (of a sort) and most have radios. These facts shock the righteous objectors who consider such 'gadgets' beyond the purse of decent poverty—although the objectors acquire (on the instalment plan) everything from radios to refrigerators.

The possession of these things, it seems to us, is not a reflection on the probity of housing project tenants, but rather on the efficiency of the one major industry in this country which has been unable to price its product within the budgets of these families.

It is well to repeat that everyone of these 10,000 families has been investigated, their previous homes visited and proved to be substandard, their incomes checked against rents in decent dwellings and found to be inadequate, before they have been accepted as tenants in a government housing project.

It is well, also, to repeat that no system of housing finance has yet been devised to provide homes at *any* rental for those who are unable to pay rent. The housing of such families is only one factor, and not the most important, in an economic problem of employment and wages. Not until such families are assured of reasonably steady jobs at decent wages (thus removing them from the category of those unable to pay rent) will it be possible for anyone, private or public agency, to provide them with housing—unless the government decides to embark on a programme of building almshouses.

As a matter of fact, there are many strata of need among those who are now inadequately housed. The PWA projects have reached the upper strata. They have housed skilled labourers and the lower income groups of the clerical and white collar classes, and it is safe to say that most of the family heads have had at least a grammar school education.

In the large northern cities a large percentage, if not a majority, is either foreign born or of the first native born generation. Twelve of twenty-seven projects in operation on 1 February, 1938, house Negroes. Because of the insecurity of employment and low wages, the highest percentage of vacancy and highest turnover of tenants have occurred in the Negro projects.

It is no less difficult to hypothesize the average tenant of a PWA housing project than it is to hypothesize the average American. Techwood Homes opened its doors on 15 August 1936. The average length of operation of the remaining twenty-six projects is less than one year. As yet there has not been time in the life of the federal projects to justify generalizations based on these projects. However, since each, as it burgeons, seems to follow the pattern of those already in existence, it is reasonable to base conjecture upon the record of those limited dividend projects which are similar in general type to the federal projects and which have been in existence for nearly three years.

In general, life in PWA housing projects conforms to one of two basic patterns set by the management staff. In the large projects such as Williamsburg Houses where the very size makes it possible to employ a larger and well-rounded management staff, that staff probably will tend to shape the pattern itself. If these larger projects are to be successful that moulding must be done with infinite patience and almost superhuman diplomacy. In the smaller projects budget restrictions will probably force tenants to take the initiative in the community's development. In any case a community spirit is essential to the project's success. If that spirit does not emerge, and within a reasonably short time after the project goes into operation, its potential value will be dissipated and perhaps lost forever.

Without attempting, for the moment, to indulge in predictions concerning the ultimate success of the Federal projects, we believe it wise to examine the records of two limited dividend projects which have been in operation for nearly three years. These projects, Hillside Homes, in New York, and Carl Mackley Houses in Philadelphia, contain, respectively, 1,415 and 284 dwellings. By virtue of their disparity in size, they illustrate, necessarily, the two

different approaches to the creation of a community. Only one Federal project, Williamsburg Houses, is larger than Hillside Homes. On the other hand, Carl Mackley Houses is substantially smaller than the average Federal project.

Hillside (as it is usually known) was sponsored by Mr. Nathan Straus, now Administrator of the United States Housing Authority. It was designed by Clarence S. Stein, a recognized authority on housing architecture in the country. It is managed by William A. White and Sons. Within the first few months, Hillside achieved ninety-eight per cent occupancy and has remained at that level since. The synthetic average family at Hillside consists of 3.1 persons. Both parents are under 40 years of age, and the child (which, according to statistics, must be an amorphous being of 1.1 persons) is between 3 and 10 years old. The father probably works as a clerk in a retail store, is a filling station attendant, or derives a precarious livelihood as a skilled worker in the building trades. Judged by the standards of the country at large, his is a substantial income; by the standards of New York where all prices are high, it keeps him only one breathless jump ahead of the wolf. Despite an income that his brother in Kansas would regard as princely, despite the low (for New York) rentals at Hillside, the synthetic average resident of this community pays out 27.3 per cent of his earnings in rent. This is a high percentage for families in his position.

To justify such an expenditure he must receive value for his money. And he does. In community activities the father is, by comparison with his wife and child, slighted. For his leisure time, he has a choice of only twenty-three activities planned for his amusement or education. These range from amateur theatricals, through athletics, to a community forum. His wife and child have greater outlet for their social energies. They may choose among twenty-eight activities which include painting, sewing, child care, and glee club. The child, if he is under 5, is a candidate for the nursery school. If he is older there is an airplane club, athletic clubs, and other organized activities amounting to a total of twenty-one.

These opportunities were not, in most cases, handed out by the management on a silver platter. An experienced consultant on

recreation was one of the first persons employed by the management. It has been her policy to assist every suggested activity of the residents with advice and time and, as an evidence of good faith, to supply as much cash as is possible. This attitude, while in an abstract sense perhaps paternalistic, has in fact made the success of Hillside.

In its first year the residents with small children were enthusiastic over the prospect of establishing a nursery school for children under 5 years of age. The management staff, fully in sympathy with this idea, helped out substantially when the eager parents found that their enthusiasm was not shared by those who had no children of a nursery school age. Thanks to the financial lift and wise advice of the recreation consultant, the nursery school survived where it might easily have foundered. It has since become almost the keystone of the Hillside recreational programme.

A bi-weekly newspaper, *Hillside News*, was first published by the management which gradually relinquished the reins to an editorial staff of residents. It is largely written in spare time by these residents who depend for their material on the contributions of other residents. The paper earned a net profit of over \$700 in its first year. The recurrence of items in the columns of *Hillside News* indicates that the nursery school, music groups, dancing, men's athletic association, women's club, camera club, and forum are among the major interests of residents.

This sounds, perhaps, like Utopia and it would be wise to inject here a little leavening realism. The men's athletic association was launched in July 1935. During the summer months the men were content to exercise out of doors, but as the fall nights closed in they withdrew indoors and soon felt the masculine urge to 'organize.' Their difficulties are suggested in a laconic report on tenant activities as follows:

. . . Some difficulties arose in and with this group. The desire for power, control, and prestige, was very strong in a member of this group, which accepted him at first blush as the leader. This desire to control led him to try to draw all community activities, then in their early development stage, under the men's athletic association. This individual was a boss and not a leader, but the residents were not long in learning this. They did not wish to be affiliated with the men's athletic association and after a few months of skill-

ful direction the problem solved itself with new leadership in the men's athletic association.

This seems to indicate that people are human beings even though they may live in a government housing project.

The women's club, no less active than the men's club, has obtained speakers to instruct in home economics, child care and many related subjects. The women also play games such as ping-pong and soft ball. The laconic report imputes as a motive: 'A great many of the women joined in these athletic activities for reducing purposes but continued their activities for the social benefits received.'

A children's little theatre has been formed and in its first year produced *Alice in Wonderland*, *Beauty and the Beast*, and other plays. Its purpose, according to *Hillside News*, is 'to provide wholesome and suitable entertainment for the children in the audience and for the children taking part in the play.'

A 'Current Problem' group was formed as a sort of local forum. The subject of discussion of an early meeting was 'What's wrong with Hillside?' We quote again from the report:

It developed at this meeting that two or three residents were desirous of forming an organization to combat the management in case any problem might arise calling for mass tenant action. After the facts had been presented the majority of those present agreed there was no need for such an organization after they realized the management was acting to the best of its ability in the tenants' interest. The question was put to a vote and all but two members voted by walking out of the meeting in disgust. This was the last meeting of the group although the Recreation Office reserved the meeting room for the group until the end of March.

More successful has been the Hillside Forum which has invited speakers to discuss problems of the day at weekly meetings attended by as many as 300 persons. The subjects have ranged all the way from a debate on 'Public ownership of Public Utilities' to 'German Culture under Hitler.' After the speeches comes a period of 'question and answer' which is described as 'lively.' Such programmes will probably be slower to develop in the average project outside New York. Yet there is no reason to suppose that eventually they may not be developed in every project where meeting halls are available. This brief outline of the major community activities at Hillside suggests a life appreciably richer than that which any

resident might find if he were to fashion it himself without aid or cooperation. Of course Hillside is a huge project and it is true that there may be opportunities at hand in New York which could not be found in other cities, or in smaller projects.

At the other end of the scale of project size is Carl Mackley Houses in Philadelphia. And where New York is predominantly a city of movement, in which most families are neither natives nor self-sufficient, Philadelphia has always been known as a city of homes, owned by those who live in them and feel no compulsion to seek company beyond their front doors. How does the principle of group co-operation to obtain group benefits fare in Philadelphia?

Carl Mackley Houses was conceived by a textile workers' union whose members had tired of the high cost, and barren isolation of the average Philadelphia row house. Fired with ambition to finance and build their own project, they found that some outside aid was necessary. The adoption by the Juniata Park Housing Corporation (as the sponsor was officially known) of Mr. William W. Jeanes is a long story, here irrelevant. It is sufficient to note that Mr. Jeanes is a young man of means whose interest runs more to housing than yachts, that Mr. Jeanes, to a considerable degree, made possible this project, and that he is its manager.

For recreation space the project has a swimming pool, a small auditorium, and a miscellaneous assortment of small rooms, mostly in basements which could be used for community activities. About forty per cent of the tenants are textile workers; the remaining sixty per cent defy classification. Incomes and rents are about one-third less than those of Hillside Homes. Since its sixth month of operation Carl Mackley Houses has maintained about ninety-eight per cent occupancy.

Whereas at Hillside budgets have made possible the employment of a trained recreation consultant, this has not been possible at Carl Mackley. Moreover, the manager refuses, as a matter of carefully considered policy, to initiate or guide any tenant activities. He wishes to be regarded as a comptroller, rather than as a director of activities. 'He insists that the management have nothing to say about what the tenants do as long as their activities do not infringe upon the rights of other tenants.'

Soon after Carl Mackley Houses opened a Residents' Association was formed. In tune with the manager's philosophy this association, like Topsy, just grew. We are told that the association has never had a constitution and that no dues have been collected, although all meetings have been conducted according to 'parliamentary procedure.' The Resident's Association has sponsored a Forum somewhat similar to that of Hillside, and it is interesting to note the subjects of discussion, are somewhat to the left of those at Hillside, 'Socialized Medicine,' and 'The Farm Labor Party.' In general, the social trends of Carl Mackley Houses have been more radical than those of Hillside. Perhaps 'radical' is not the word to describe the difference. It might better be stated thus: whereas Hillside residents explore, intellectually, all 'isms,' the tenants of Carl Mackley Houses are convinced that their road lies slightly (if clearly) to the left of center. They have established co-operative stores in the project; they have a credit union. Their group action transcends that of social co-operation. They have advanced to *economic* co-operation.

The project, like Hillside, has its newspaper, edited by residents. A recent editorial expresses admirably the point of view of the residents.

Carl Mackley Houses is primarily an experiment. Apathetic people don't make successes of experiments in *workers'* Housing. It is obvious that we cannot afford to be apathetic. For our community is not merely a newfangled housing scheme benevolently bestowed by an allegedly friendly Government. The social, intellectual, and even political potentialities of such a community as ours are enormous, and, if they are properly developed, the power and prestige of the labour movement will be greatly enhanced . . .

In these two projects, Hillside Homes in New York and Carl Mackley Houses in Philadelphia, we have blue-prints of the form which, it is likely, the federal projects of PWA will assume. It must be remembered that Hillside Homes and Carl Mackley Houses were developed and are owned by private corporations aided by a Government loan, but are without the subsidy with which the federal projects are planned and underwritten. In the larger projects like Williamsburg Houses (New York), Laurel Homes (Cincinnati), Old Harbor Village (Boston) and Jane Addams Houses (Chicago) it is likely that the management can

lead the way toward the setting of a pattern of life. In the smaller projects the tenants, themselves, will set the pattern. In any case it will be a pattern which is satisfactory to the tenants because the management staff cannot impose, successfully, standards or trends which may be inimical. Because the tenants, by virtue of the qualifications for admission, are those who seem to have run head on into an economic barrier, through no fault of their own, the direction of their lives will probably turn toward progressivism of some form.

In the sketchy outline of life in two limited dividend projects, we have ignored the *private* lives at the expense of the *community* life. And yet this is essential if we are to assess the temper of project life. Within the home, mothers tend their children, cook, wash, and clean; fathers read the evening newspaper and make futile gestures toward what they regard as necessary, but evil, household tasks; children are under foot, break things, do not go to bed when they should. In other words, the daily grind is much the same, whether one lives in a tenement, a housing project, or a mansion on the hill. Homelife, in a housing project, has these advantages. The frictions of daily life are, to a considerable degree, mitigated by the improved amenities of the dwelling. For a mother, it is obviously easier to cook on a gas or electric range than on a coal stove. She has light and air in her home, the corners are easier to clean, and there is enough closet space. Usually she can, without difficulty, check up on the peregrinations of a wandering child. Many such physical advantages may be cited and it is such advantages that draw tenants and build up waiting lists.

But the finest home, based on physical standards, would mean little, if the community life were not enriched at the same time. For the projects built by PWA are not perfect, nor can any housing project be perfect until man himself is rid of imperfection, or at least agreed upon what constitutes perfection.

Recently we have had occasion to see a recently opened Federal project (Lasalle Place, Louisville, Kentucky) begin its career. We have seen a list of complaints of the first month's tenants. In simple gratitude for dwellings, the like of which they have never before enjoyed, they suggest that the kitchens in 3 room houses are a bit

small for their needs. They wish they had more storage space (the lack of which results from the categorical thought that 'people in this class don't have many personal belongings'); they would like more social space, so they could have large meetings. They want to know how they may start a tenants' association, and if it would be possible to obtain a branch of the public library for the project. The mothers are already planning ways and means to supervise play of the younger children.

Lasalle Place, like every large scale, planned housing project, whether it be built by the government or private enterprise, is a community. The physical environment induces a neighbourliness like that of a small village. Whereas, in recent years, life in our cities has grown increasingly impersonal, the large scale housing project turns the tide in the other direction. And because most people, whether rural or urban, are essentially parochial in their point of view, this change of direction is inevitably successful. The success of these housing projects is not, of course, automatic. It is necessary that the management staff should be more than rent collectors or property managers. They must combine business ability with a broad interest in and sympathy with the interests of the tenants. If they do function on this plane, the success of their venture is assured. And we must recognize that this success is not only due to the PWA Housing Division, but also to the workings of human nature.

There remain many knotty problems in the operation of these projects. Under the law, no family can be accepted whose income exceeds five (or in the case of large families, six) times the rent. What is to happen when a tenant, through industry and ability, increases his income beyond these limits? Is he then to be ejected? Will this law, wisely designed to prevent the well-to-do from exploiting these benefits, be a boomerang that penalizes ability? As yet no answer has been found.

We have noted some advantages of union. The power created may likewise have disadvantages. It is conceivable that tenants may unite in any one of a dozen forms of subversive action. Only the wisest and most diplomatic management can keep this power always in the proper channels. However this power may be used, its

very existence is proof that, in these projects, democracy survives. Tenants, in their previous homes, were individuals whose voices were drowned in the noisy turmoil of cities which had long ago lost the spirit of a community. Only the well-to-do were able to make their desires known and to maintain their identity. In these projects the collective voice of John Smith and Mary Brown is a potent factor in the city life.

An illustration of this force was recently noted in the newspapers of Washington. Just outside the city limits a private corporation built, in 1934, a housing project of some 900 dwellings. Most of the breadwinners in this project worked in Washington and were forced to commute by bus. The bus company maintained a service along the highway on which the project faced. Individual householders who lived on the highway had frequently complained of the inadequate service but their complaints were ignored. When the tenants association of the housing project formally resolved to boycott the bus company unless better service was provided, the president of the company personally visited the project and assured the tenants that improvements requested would be made. Today the whole area surrounding the project enjoys adequate service which had not, and probably never could have been obtained by individual householders.

The transition of the PWA housing programme has been a remarkable phenomenon. Beginning as an excuse for priming the pump of recovery in the building trades, it was next regarded as a means of providing decent homes for those who had never had them. It has, in its completion, gone far beyond this secondary concept. To be sure, the four walls of a good home, the convenience of mechanical equipment, are the base on which its final fulfillment has been laid. Without this base no spiritual regeneration would have been possible.

Fourth of July orators describe in eloquent abstractions a Democracy, dear to the hearts of Americans, which they now realize may or may not survive, and is, therefore, the more fondly recollected. In the large scale housing project that democracy is being reborn. And because the Public Works Administration's Housing Division was able, during its short life, to advance the cause of that

democracy in ways that it had not been advanced previously during the whole twentieth century, its story ends on a note of some pride and of great hope for the even greater achievement of its lusty young successor, the United States Housing Authority.

EPILOGUE

HOUSING COMES OF AGE

A vigorous sentiment for slum clearance has been growing since the Housing Division of the Public Works Administration was set up somewhat more than a year ago.

The Housing Division's task was not only to give relief in the emergency. It was also to develop a technique for American slum clearance and rehousing, a work which we had discussed academically for many years but which we had never attempted to practice seriously.

From my familiarity with the activities of the New York State Housing Board and the Housing Division, I am convinced that urban slum clearance and reconstruction at the outset must be financed, and perhaps in some cases subsidized, by some governmental agency.

At the present time few local governments are in a position either financially or legally to launch an extensive campaign on their slums. They must look to the initiative and resources of the Federal Government.

I do not favor a permanently centralized direction such as now exists in Washington, but until responsibility for initiating, financing and following through can be delegated safely to local housing authorities with proven ability and possessing the necessary power to handle the multitude of new and intricate problems involved, I feel that the work should be carried on by the Federal Government. In no circumstances should it be abandoned.

It probably would be wise to set up a permanent agency to develop a program of research, to offer guidance to local authorities when requested or needed, and to handle financing.

In all probability for some time to come the Federal Government will have to bear the major burden of financing, with low interest rates and long amortization periods.

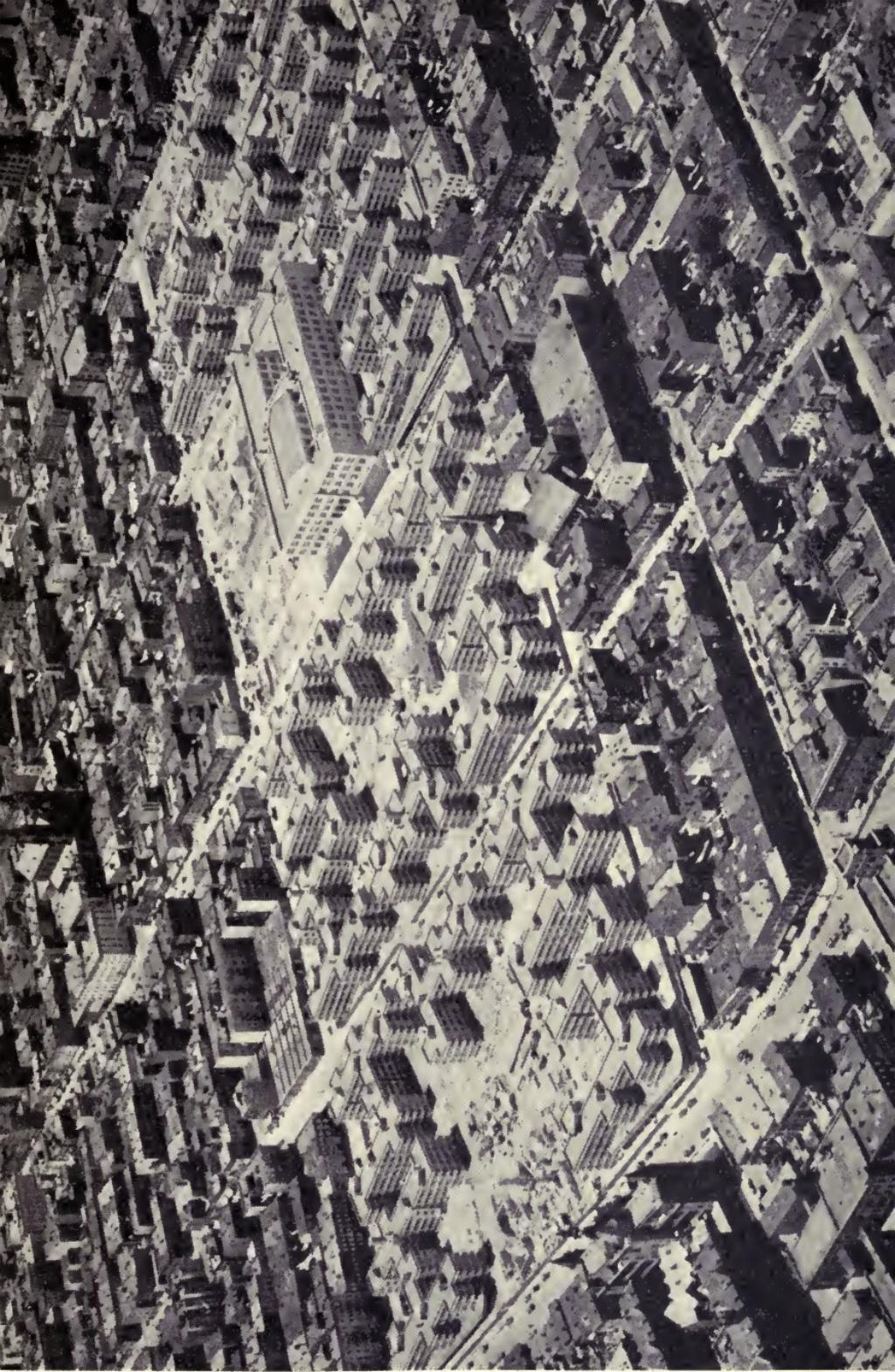
I feel sure that our modest beginnings may be regarded as no more than the first steps in a great and permanent campaign against those appalling slum conditions in which a third of our urban population is now forced to exist.

Very sincerely,

FRANKLIN D. ROOSEVELT

—From a letter to the Chairman of the Southern Public Housing Conference,
15 October '34.

That the President should have expressed so clearly his conception of a permanent public housing policy when the Housing Divi-



THE NATION'S LARGEST SLUM CLEARANCE PROJECT:

*Williamsburg Houses replaces 12 blocks of Brooklyn slum area
and houses nearly 6,000 tenants in 1,622 apartments.*

sion's programme was still in its infancy, is not surprising. At the time this letter was written that 'vigorous sentiment' had created a powerful ground swell which although barely perceptible on the surface, was already generating the force that culminated, in 1937, in a tidal wave of popular approval.

On 25 March 1935, Senator Robert F. Wagner introduced in the Senate of the United States a bill called S. 2392, Seventy-Fourth Congress, 'a bill to promote the public health, safety, and welfare by providing for the elimination of insanitary and dangerous housing conditions, to relieve congested areas, to aid in the construction and supervision of low rental dwelling accommodations, and to further national industrial recovery through the employment of labour and materials.'

Since this was the first of three housing bills introduced by Senator Wagner in the years 1935-36-37, it will be interesting to note the most important provisions of each.

FEDERAL PUBLIC HOUSING ACT OF 1935

Administration

Division of Housing in the Interior Department.

Director appointed by the President confirmed by the Senate.

Personnel, that of the Housing Division, PWA, to be taken over.

Funds

\$800,000,000 appropriation with no provision for future appropriations or time limits for expenditure.

Loans to local Public Housing Agencies

No limit on per cent of cost—thus presumably 100 per cent.

Interest rate not 'higher than the rate of interest specified in the bonds of the Federal Government having a term of ten years or more, last issued prior to the making of such loan.'

Subsidy

Capital grants not in excess of 30 per cent of cost of labour and materials.

Type of Project

Where local public agencies exist loans and grants may be made with local authorities responsible in every particular.

Where no responsible local public agencies exist, Housing Division may build 'demonstration projects.'

Disposition of Projects

If local authorities are created subsequent to completion of projects Director shall turn over projects on 'such terms and conditions as he may prescribe.'

In retrospect one may be inclined to regard this first public housing bill as no more than a trial balloon. It contained the essence of The Idea but not much more. This is said in no criticism of Senator Wagner's motives. In fact he, himself, in speaking before the United States Conference of Mayors at Washington on 19 November 1935, said of the bill: 'The whole country must be galvanized into activity in the interest of a genuine low cost housing programme. One of the first steps must be the passage of adequate legislation by Congress. To that end I presented a bill at the last session, and I propose to re-introduce it in January. It is of course open to any modifications that new developments or greater knowledge disclose and I urge all of you to give me and the Congress the benefit of your wisdom and experience.'

The immediate effect of introducing this bill was to smoke out articulate expression of every shade of opinion concerning public housing. On 4-7 June the Senate Committee on Education and Labour, Senator David I. Walsh, Chairman, held public hearings on the bill. Voices were heard—from the People's Lobby, for instance—which denounced the bill as a reactionary measure to subsidize rich land owners at the expense of slum dwellers; real estate associations no less vehemently opposed the bill, but on the far different grounds of radicalism. Administrator Ickes testified as an individual in favour of the objectives of the bill with suggestions for changes in several provisions.

It is possible that the public demand for this legislation was not yet insistent enough to sway the Congress. Whatever the reason, the bill was not reported out of committee.

Notwithstanding this defeat, Senator Wagner and the advocates of a permanent programme set to work to revise the proposal, to refine details and to arouse support for its next appearance in Congress. Among housers the faith was universal that some permanent public housing policy would sooner or later be adopted by Congress, yet it was a faith born of hope rather than any concrete assurance. The problems created by slums were not confined to cities and this fact has been repeatedly noted, yet legislation to create machinery for their solution was, and still is, regarded as big city legislation. Possibly because it is more difficult to awaken con-

certed action in rural communities, the Congressmen and Senators from such areas were not actively interested in the bill. As a matter of practical politics it was necessary to arouse their cooperation if future efforts were not to suffer the fate of 'The Federal Public Housing Act of 1935.'

On 3 April 1936, Senator Wagner introduced S. 4424 the 'United States Housing Act of 1936.' It differed considerably from the 1935 bill in detail, if not in purpose. The major provisions were as follows:

UNITED STATES HOUSING ACT OF 1936

Administration

The United States Housing Authority composed of five directors, four appointed by the President and confirmed by the Senate and, *ex officio*, the Secretary of the Interior.

Funds

Authority may issue \$550,000,000 of its own bonds between 1936 and 1939. Congressional appropriations totaling \$226,000,000 for the years 1936-39, inclusive.

Loans

100 per cent loans at interest rate fixed by Authority to local public housing agencies. 85 per cent loans at not less than going Federal rate to private limited profit agencies. Maximum of \$25,000,000 annually in latter type.

Subsidy

Based on capital cost a maximum of 45 per cent payable at beginning or in fixed annual contributions for period not to exceed 60 years. Only local public housing agencies eligible.

Type of Project

1. Loans and grants to public housing agencies.
2. Loans to limited dividend corporations or cooperatives.
3. Where no local agencies exist, one demonstration project per city, limited to \$2,500,000 in cost. United States Housing Authority must sell demonstration projects as fast as possible.

Absorption of the Housing Division personnel was permissive but not mandatory.

In drafting the 1936 bill Senator Wagner drew liberally on the experience of the Housing Division. Maintaining the same objectives, the second version was a far more polished piece of work than the first. It was hailed in the press (according to the temper of the editor) as a great document or as a dangerous turn to the left in

American affairs. However they may have regarded it socially or politically, editors all over the country could not fail to recognize the new bill as NEWS.

The hearings conducted again by the Committee on Education and Labor under Senator Walsh were opened on 20 April and ran for seven days. With such prominent figures for witnesses as the Administrator of Public Works, the Secretary of Labor, Mr. William Green, a number of mayors, and leaders of the Church, labour, social work, real estate, construction, and finance; the newspapers featured every move.

The Committee reported the bill favourably and by the time it came to a vote in the Senate, it bore the endorsement of more than 400 diversified organizations, from the American Federation of Labor to outstanding bankers, from religious groups to mayors, and from manufacturers to social workers.

The bill was passed by the Senate on 16 June 1936. Those who recall that 1936 was a campaign year may also remember that June of that year was insufferably hot. The combination of these two factors tended to hasten the adjournment of Congress. Now, although the Senate had had two years of experience with public housing legislation, the House had none. The 'United States Housing Act of 1936' had been introduced simultaneously in the House by Mr. Ellenbogen of Pennsylvania but at the time it was passed in the Senate, no hearings had been scheduled by the House Committee on Banking and Currency which was awaiting action by the Senate. The 16 June, the day the bill was passed by the Senate, fell on a Tuesday. Congress adjourned on the following Saturday, and the Wagner-Ellenbogen bill failed of enactment.

Yet few housers lost faith in its ultimate passage, for by now the objectives of the bill transcended political differences of opinion. The need for public housing was recognized, not only in the Democratic Party platform of 1936, but also in that of the Republican Party in New York State.

In October 1936, the President speaking before an audience on New York's Lower East Side, composed largely of slum dwellers, spoke frankly as follows:

We have not yet begun adequately to spend money in order to help the

families in the over-crowded sections of our cities to live as American citizens have a right to live. You and I will not be content until City, State and Federal governments join with private capital in helping every American family to live that way. We need action to get better city housing. We who believe in better housing have not been defeated. I am confident that the next Congress will start us on our way with a sound housing policy.

In his annual message to Congress of 6 January 1937, and again in his inaugural address, when he said, 'I see one-third of a nation ill-housed, ill-clad, ill-nourished. It is not in despair that I paint you that picture. I paint it for you in hope—because the nation, seeing and understanding the injustice in it, proposes to paint it out;' the President gave assurance that a permanent public housing policy formed a conspicuous part of his fundamental programme for the improvement of American life.

That the winds of political favour had now changed and were blowing strong for a housing act, was indicated by the fact that in the first month of the seventy-fifth Congress five public housing bills were introduced. Although these bills differed widely in detail they all recognized the two major premises of public housing policy; first, that government has a responsibility to house the lowest income groups, since private enterprise cannot exist on this market; and, second, that such housing must be subsidized at public expense, if it is to be made available to the class for which it is designed.

The third edition of the public housing bill was introduced in the Senate by Senator Wagner on 24 February 1937, and the identical bill was introduced by Mr. Steagall in the House on the same day. The proposed 'United States Housing Act of 1937' differed on one major point from its predecessors. The method of subsidy proposed abandoned any use of capital grant in favour of an annual contribution. This type of subsidy was in line with the recommendations of the Housing Division noted in Chapter VI. Because this bill was subjected to so many amendments in committees and on the floor of both Senate and House, we shall reserve analysis of its provision to the final form as enacted.

The extensive Senate hearings of 1935 and 1936 had obviated any further elaboration of the need for slum clearance and rehousing of

slum dwellers. In fact, throughout all sessions of the Senate and House committees, the need was an accepted fact. Even the men who, in previous years, had condemned the basic idea as radical, now accepted the major premise as long as it could be turned to their advantage.

For example, Mr. Frank Carnahan, Secretary of the National Retail Lumber Dealers' Association, before the Senate Committee on Education and Labor on 26 April 1936, stated: 'It is the thought of our organization, Mr. Chairman, that the housing problem can solve itself, that capital and private initiative will solve the housing problem.' Mr. Carnahan testified before the House Committee on Banking and Currency on the 1937 Wagner bill. Compare his views of 1936 with the following excerpts from the record:

Congressman Crawford. Does your organization, generally, object to a slum-clearance project being put through for people with incomes of \$400 a year?

Mr. Carnahan. No; we do not object to that. Under \$900 income we do not object. If you go into the heart of New York City and tear down some of those slums, we cannot build new houses in the center of New York City for the prices I have mentioned . . .

Congressman Crawford. Where there are no slum areas in the city, but where the first ward is made up of detached houses entirely with sunshine, and a lawn, and where the floors are rough, the doors are rough, and the windows are rough, where you can go in and rehabilitate that property for a reasonable price. If the Government does it, it directly competes with you, does it not?

Mr. Carnahan. No, sir; if they do that they will use our materials, and that would be all right with us, if you want to do it.

This attitude, by and large, is typical of most opposition to the bill as proposed and as enacted.

The Senate passed an amended form of the original bill after considerable—and lively—debate on 6 August. Of four major amendments three were intended to place restrictions on the Authority's activities. First, rigid cost limitations were adopted on both a per room and per dwelling basis. Second, the Senate limited the amount of money that could be allocated to any one State. Third, local communities were required not only to share the cost of subsidy with the Federal Government but also to contribute to the capital cost of projects.

The fourth amendment, strongly urged by Administrator Ickes, knocked out the administrative board set-up of the Authority and provided for one administrator appointed by the President and confirmed by the Senate to head an organization under the general supervision of the Secretary of the Interior. Lest the Administrator's action be construed as an attempt to grasp authority, we quote excerpts from his testimony given before the House Committee on Banking and Currency, 5 August 1937:

. . . A Housing programme such as is contemplated by the Wagner Housing bill, will require a type of experience and personnel which is closely related to the work of the Public Works Administration . . .

If the United States Housing Authority were placed under the Secretary of the Interior, he could utilize the experience of the Public Works Administration and thereby avoid the loss of time and money which would otherwise occur in launching a housing programme. The establishment of the Authority under the Secretary of the Interior need not interfere with its being transferred later to any department which may be regarded as more appropriate, pursuant to a reorganization of the executive departments . . . Such an amendment would conform to the President's recommendations on reorganization . . .

Now, I have suggested that the proper location for this agency is in the Interior Department, but if you do not want it send it to Interior, send it anywhere you please—send it to Treasury, send it to Agriculture, send it to Commerce—but I beg of you to think very carefully before you set up an agency which will become cumbersome, which will be expensive, and which may be inefficient, and the only real reason, the only real object of which will be to create some unnecessary jobs.

The bill, as eventually enacted, followed the Administrator's suggestion. Although the House made many changes in the Senate bill, none was more than a change of detail. The philosophy behind it was never affected and the Senate and House conferees quickly settled their differences.

The Act is printed in full in the appendix but its major provisions should be summarized here:

UNITED STATES HOUSING ACT OF 1937

Administration

The United States Housing Authority, corporate body, under the 'general supervision' of the Secretary of the Interior. Headed by one Administrator appointed by the President, confirmed by the Senate. President may transfer personnel of existing agencies.

Funds

Total of \$526,000,000 of which \$26,000,000 is appropriation. \$500,000,000 to be raised through sale of Authority bonds. Annual contributions to be appropriated when and in amounts necessary.

Loans

Only to local public housing agencies up to 90 per cent of capital cost of projects to be amortized in not more than 60 years and pay interest at going Federal rate plus $\frac{1}{2}$ per cent. No more than 10 per cent of funds to each State.

Subsidy

Two types. Both are conditioned on mandatory slum clearance in amount substantially equal to new dwellings provided but may be deferred if shortage exists.

1. Capital grants

25 per cent of capital cost which the President may increase to 40 per cent if relief labor is used. Local community must put up 20 per cent of capital cost.

2. Annual contributions

Sufficient to assure low-rent character of projects but limited to percentage of development cost produced by applying going Federal rate of interest plus 1 per cent on that cost. Local community must contribute 20 per cent of this amount.

Eligibility of tenants

'Families whose net income at the time of admission does not exceed five times the rental (including the value or cost to them of heat, light, water and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one.'

Cost limitations

\$4,000 per family dwelling unit and \$1,000 per room (excluding land, demolition and non-dwelling facilities) except in cities of more than 500,000 population where \$5,000 and \$1,250 may be used.

Disposition of projects

No demonstration projects but Housing Authority may take over any existing (Housing Division of PWA, Resettlement Administration, etc.) and must dispose by lease or sale as quickly as possible.

Comparison of this Act with the bill of 1935 shows how far public housing has come in two years. With some obvious defects and the fact that no more than 150,000 dwellings may reasonably be expected, it recognized at last frankly, and perhaps permanently, the responsibility of governments, both Federal and local, to see to it that Americans may live as Americans should.

On the first day of September the President's signature made

into law of the land the United States Housing Act of 1937. On 18 October, Nathan Straus, president of the limited dividend corporation that built Hillside Homes, New York, and member of the New York City Housing Authority, was appointed the first Administrator of the United States Housing Authority. On 1 November, an executive order transferred projects and personnel of the PWA Housing Division to the United States Housing Authority.

Administrator Straus was, himself, a houser of experience. The handful of advisers he brought with him bore names of national prominence in housing and the Housing Division staff which he inherited was seasoned. Yet before the new programme could be launched, a tremendous volume of groundwork in the development of policy was necessary. Moreover, the United States Housing Act of 1937 required that he dispose, by lease or by sale to local housing authorities, of the PWA projects as quickly as possible.

The single task (of no consequence to the public) of familiarizing himself with the abilities of his inherited staff, of re-shaping its form and procedure to handle a decentralized programme was, in itself, Herculean. With pressure similar to that under which the Housing Division worked in 1935, Mr. Straus announced that he would not be ready to consider applications from local housing authorities for sixty days.

His next move was to hold conferences to which every local authority was invited in order to develop policies that would be mutually satisfactory to the local agencies and to the United States Housing Authority. Three potentially serious obstacles to successful operation of the act were discussed at these meetings. The first was the requirement that local public housing agencies must furnish ten per cent of the capital cost of any project proposed. Few cities could raise sufficient cash and it was obvious that local bond markets would be the best source of funds. Yet investment bankers and the buying public were not familiar with real estate bonds that were to be secured only by revenues and could not be foreclosed. At these conferences means were devised and are now part of the USHA policy to make such bonds an attractive investment. It was also agreed that the provision of streets and other utilities might be regarded as legitimate equity to form a part of the ten per cent.

Tax exemption was, in most cases, regarded as the most likely source of obtaining the annual contribution the Act requires local housing agencies to make. In states where the local housing act did not permit tax exemption the local housing agencies have pressed for, and in most cases, have obtained, necessary amendments.

The cost limitations contained in the United States Housing Act could make it difficult, if not impossible, to build in some cities under certain conditions. At these conferences, precise definitions of 'dwelling facilities,' 'development cost,' and other such inclusive terms were established. By defining these terms, the conditions which must be satisfied to make construction both possible and valid under the Act were clearly outlined. On the basis of programmes concretely planned in a number of cities, Administrator Straus announced early in December the earmarking of funds to many local authorities. As of 15 February 1938, earmarking had been made for fifty cities in nineteen states to a total of \$168,445,000. This action did not imply approval of any specific project nor did it actually release funds. It indicated that the USHA had faith in the ability of these fifty cities to carry through their own programmes. At one end of the scale are New York, Chicago and Philadelphia; at the other, Johnson City, Tennessee (pop. 25,000) and Decatur, Indiana, (pop. 5,000).

Between November and February, local public housing agencies in Chicago, Cambridge, Birmingham, Toledo, Louisville, Memphis, Lexington, (Kentucky), and Omaha leased twelve projects built by PWA from the USHA Rents (based on the economic set up of the United States Housing Act) average \$4.80 per room per month. Thanks to the different provisions of the new Act it has been possible to fix rents at amounts substantially under those possible under the PWA set-up. Thus a lower income group can be served.

On 1 November 1937, there were forty-eight legally constituted municipal or county housing authorities in the country. On 1 February 1938, the number had jumped to ninety-four with a rate of increase of about five per week as the efforts of five years were reflected in local administrative and legislative action.

The title of this chapter is perhaps a misnomer. Although it is, to be sure, an epilogue to the history of the Public Works Adminis-

tration's programme, it is, in fact, no more than an introduction to what now appears to be a long and nationally vital programme of rehabilitation. The pioneering days are over and we have entered the mature stage of public housing. In closing, let us look at the most recent and significant entry on the record:

THE WHITE HOUSE

March 17, 1938.

Dear Mr. Straus:

Today marks the beginning of a new era in the economic and social life of America. Today we are launching an attack on the slums of this country which must go forward until every American family has a decent home.

I enclose my authorization to you to execute contracts for slum clearance and low-rent housing projects in the following cities: Austin, Texas; Charleston, South Carolina; New Orleans, Louisiana; Syracuse, New York, and Youngstown, Ohio,—the total aggregate amount of federal loans being \$16,836,000. . . .

These contracts are but the beginning. I understand that you will have another group ready for my approval within a month. I congratulate the Mayors, City Councils and local Housing Authorities of these five cities on being the first to take advantage of this Act to do away with their slums.

It is a special source of satisfaction to me that the cities submitted to me on the United States Housing Authority List No. 1, constitute almost a cross-section of the varied life and history of our country. There are large cities and small. There are new cities and old. There are great manufacturing cities and others serving chiefly as a focal center of an agricultural community. It is good to know that the benefits of the United States Housing Act are being distributed over so wide an area among cities differing in everything else, but alike in being afflicted with blighted areas and slums.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

Nathan Straus, Administrator,
United States Housing Authority,
Washington, D. C.

We may truly say at last, 'Housing has come of age.'

APPENDIX A

LIST OF PWA FEDERAL HOUSING PROJECTS

TECHWOOD HOMES, ATLANTA, GEORGIA

SITE: Slum area, 24.8 acres

ALLOTMENT: \$2,933,500

STRUCTURE TYPE: 3-story apartments, 3-story dormitory, 2-story group houses, stores, garages and offices

SIZE: 2,124 rooms; 604 living units; 74 individual dormitory rooms; 40 3-room dormitory suites

AVERAGE RENTAL \$5.52 per month plus service charge of \$1.81
PER ROOM: for heat, hot water, light, cooking and refrigeration

Plans for Techwood Homes were originally submitted as a limited dividend project. It was later made a federal project, sponsored by the Techwood Housing Advisory Committee.

The site, adjacent to the Georgia Institute of Technology, was one of the worst slums in the city. It lies between a good residential section and downtown Atlanta.

The 23 buildings, grouped around open landscaped courts, cover one-fifth of the site and are of fireproof construction in a modified Georgian style. They provide three, four and five-room apartments and five and six-room group houses. The development includes social units and central laundries. Each unit is equipped with electric cooking range and electric refrigeration. Steam heating is purchased from the central municipal plant.

The first tenants were moved into Techwood Homes 15 August 1936.

UNIVERSITY HOMES, ATLANTA, GEORGIA

SITE:	Slum area, 19.0 acres
ALLOTMENT:	\$2,592,000
STRUCTURE TYPE:	2 and 3-story group houses, 2 and 3-story flats
SIZE:	2,342 rooms; 675 living units
AVERAGE RENTAL PER ROOM:	\$5.11 per month plus service charge of \$1.76 for heat, hot water, light, cooking and refrigeration

University Homes was proposed by a limited dividend company, but was made a federal project under the sponsorship of the University Advisory Committee.

The site adjoins Negro colleges of Atlanta University on three sides, and is bounded by Parsons, Elm, Maber, and Lawshe Streets and Greensferry Avenue. Before demolition, it was a serious slum menace.

Buildings cover one-fourth of the project site leaving space for lawns, play areas, walks and drives. Construction of brick and tile with steel window casements and asphalt tile floors over concrete, is fireproof throughout. Dwelling units vary from two to five rooms. Facilities include laundries, social units and a day nursery. Equipment includes electric cooking ranges and electric refrigerators. The entire development is heated from a central plant.

First tenants were moved into University Homes 17 April 1937.

STANLEY S. HOLMES VILLAGE
ATLANTIC CITY, NEW JERSEY

SITE:	Slum area, 7.6 acres
ALLOTMENT:	\$1,550,000
STRUCTURE TYPE:	2 and 3-story group houses and 2 and 3-story flats
SIZE:	928 rooms; 277 living units

AVERAGE RENTAL PER ROOM: \$5.51 per month plus service charge of \$2.57 for heat, hot water, light, refrigeration and cooking

Stanley S. Holmes Village was sponsored jointly by the New Jersey State Housing Authority and the Atlantic City Civic Committee for Better Housing. It was named for the first chairman of the State Authority.

Near the Negro War Memorial playground and community center, the site was formerly a pronounced slum. It is bounded by Adriatic, Kentucky, Baltic, and Illinois Avenues. Schools, churches and a shopping center are near.

Covering less than one-third of the project site, the buildings are of fireproof brick and tile construction, grouped around open courts. Lawns, play areas, walks and drives utilize the remaining space. Dwellings are three to five rooms. Facilities include gas cooking ranges and electric refrigerators. The project is heated from a central plant.

The first tenants were moved into the project 16 April 1937.

SMITHFIELD COURT, BIRMINGHAM, ALABAMA

SITE: Slum area, 28.3 acres

ALLOTMENT: \$2,500,000

STRUCTURE TYPE: 1 and 2-story group houses and community house

SIZE: 1,588 rooms; 544 living units

AVERAGE RENTAL PER ROOM: \$4.50 per month plus service charge of \$0.50 for electric light and refrigeration

Smithfield Court was sponsored by the Birmingham Housing Committee, later superseded by the Birmingham Housing Authority.

Near the geographic center of the city, the project site was formerly a Negro slum area. It is bounded by Ninth Court, Third, and Center Streets, and Eighth Avenue.

Built of brick and tile, the structures are fireproof throughout and cover less than 25 per cent of the total area. Dwellings range in size from two to five rooms and are equipped with cooking ranges and electric refrigerators. Facilities for tenants include a community building, surfaced play areas, laundries, lawns, walks and drives. The project is heated from a central plant.

OLD HARBOR VILLAGE, BOSTON, MASSACHUSETTS

SITE:	Vacant area, 31.1 acres
ALLOTMENT:	\$6,636,000
STRUCTURE TYPE:	3-story apartments and 2-story group houses
SIZE:	3,860 rooms; 1,016 living units
AVERAGE RENTAL PER ROOM:	\$4.93 per month plus service charge of \$1.82 for heat, hot water, electric lighting, cooking and refrigeration

Old Harbor Village is built on vacant land overlooking the scene of the historic Boston Tea Party. The site was selected when attempts to obtain a nearby slum site failed. The project was sponsored by the Boston Housing Authority which superseded the Mayor's Advisory Committee.

The site is bounded by Old Colony Avenue, Locust Street, the New York, New Haven & Hartford Railroad right-of-way, Albert and Hyde Streets. Nearby Columbus Park offers recreational facilities and schools, churches and shopping centers are within walking distance.

Buildings are of brick and tile construction, grouped around open courts. They provide three, four and five-room apartment units and six-room group houses. Facilities include centrally located laundries, social units, and play areas. The 36 buildings cover but one-fifth of the total area. Each kitchen is equipped with electric cooking ranges and electric refrigerators. A central plant provides heat.

Appendix A

KENFIELD, BUFFALO, NEW YORK

SITE:	Vacant area, 65 acres
ALLOTMENT:	\$4,755,000
STRUCTURE TYPE:	3-story apartments, 2-story group houses and 2-story flats
SIZE:	2,756 rooms; 658 living units
AVERAGE RENTAL PER ROOM:	\$5.19 per month plus service charge of \$1.81 for heat, hot water, light, refrigeration and cooking

The Kenfield project was sponsored by the Buffalo Municipal Housing Authority.

The site is bounded by Langfield Drive, Suffolk Street, and Edison Avenue. Several schools immediately adjacent to the site assure adequate educational facilities.

The 73 fireproof buildings are arranged in a series of courts. They are of brick and tile construction with reinforced concrete. Three-room apartments and four and five-room group houses all equipped with electric refrigerators and electric cooking ranges, make up the community. Other facilities for tenants include central laundries, two large social units, full basements under the group houses, surfaced outdoor play areas for children and convenient walks and drives. Less than one-fourth of the total ground area is covered by buildings.

First tenants moved into Kenfield 1 October 1937.

NEW TOWNE COURT
CAMBRIDGE, MASSACHUSETTS

SITE:	Slum area, 8.8 acres
ALLOTMENT:	\$2,500,000
STRUCTURE TYPE:	3-story apartments
SIZE:	1,172 rooms; 294 living units

AVERAGE RENTAL PER ROOM:	\$4.64 per month plus service charge of \$2.11 for gas cooking and refrigeration, heat and hot water
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New Towne Court was originally a limited dividend project submitted by the Cambridge Housing Corporation. It was later taken over and expanded by the Housing Division under the sponsorship of the Massachusetts State Board of Housing and the Cambridge Municipal Housing Authority.

Formerly a slum area comprising some 300 dilapidated frame and brick buildings, the site is bounded by Main, Washington, Portland, and Windsor Streets.

Buildings are of brick and tile construction, occupying slightly over one-fifth of the total project area. They provide three, four and five-room dwellings. A central mall extending the length of the development and semi-enclosed courts on either side provide space for lawns and surfaced play areas. All dwellings are equipped with gas cooking ranges and gas refrigerators. Social units and laundry facilities are available to tenants. A central heating plant is provided.

WESTFIELD ACRES, CAMDEN, NEW JERSEY

SITE:	Vacant area, 25 acres
ALLOTMENT:	\$3,116,160.50
STRUCTURE TYPE:	3-story apartments
SIZE:	1,852 rooms; 515 living units
AVERAGE RENTAL PER ROOM:	\$4.89 per month plus service charge of \$2.43 for electric light, cooking, refrigeration, heat and hot water

Westfield Acres was sponsored jointly by the Camden Labour Housing Committee, the New Jersey State Housing Authority, and the Camden Housing Advisory Committee.

Built on vacant land in a good residential district, two miles from

the center of town, the development comprises 24 fireproof buildings. The area lies at 32nd Street, between Westfield Avenue, Lemuel Avenue, Dudley Street and the Camden and Burlington County Railroad.

Three, four and five-room units, equipped with electric cooking ranges and electric refrigerators, make up the community. Ample lawns and play areas are provided. The development is heated from a central plant. Space is provided for central laundries and social units.

MEETING STREET MANOR and COOPER RIVER COURT, CHARLESTON, SOUTH CAROLINA

SITE: Vacant area, 15.6 acres

ALLOTMENT: \$1,305,000

STRUCTURE TYPE: 1 and 2-story group houses

SIZE: 700 rooms; 212 living units

AVERAGE RENTAL \$4.93 per month plus service charge of \$0.96
PER ROOM: for electric light and refrigeration

This development was sponsored by the Charleston Municipal Housing Authority.

The site of the project was mostly vacant land, containing one block of Negro houses, and bordering a large slum area. It faces on Meeting Street in the northern part of the city, convenient to the industrial area of North Charleston. Meeting, Johnson, Nassau, Stewart, America, and Sumter Streets form the boundary lines of the area.

The whole development consists of 42 whitened brick two, three, four and five-room group houses, covering less than one-fifth of the site, with space for lawns, play areas, walks and drives. Space is provided for social units. Each unit is equipped with a range and an electric refrigerator. Construction is fireproof throughout.

JANE ADDAMS HOUSES, CHICAGO, ILLINOIS

SITE:	Slum area, 23.7 acres
ALLOTMENT:	\$7,041,759.70
STRUCTURE TYPE:	3-story apartments and 2-story group houses
SIZE:	3,571 rooms; 1,027 living units
AVERAGE RENTAL PER ROOM:	\$5.43 per month plus service charge of \$1.87 for gas cooking, heat, hot water, electricity for light and refrigeration

Jane Addams Houses was named in honour of the late founder of Hull House, who recommended the site. The Chicago General Advisory Board on Housing served as the sponsoring body.

In an extensive slum area in the 'Bloody Eighteenth' Ward, the site is bounded by Galpin Place, Racine Avenue, Roosevelt Road, Loomis Street, Edgemont Avenue, Throop Street, Taylor Avenue, and Lytle, Arlington, and Silbey Streets. The area is near sources of industrial and commercial employment. There are ample schools nearby and Hull House and Vernon Park provide school, recreation, and community center facilities.

The buildings are of fireproof brick and tile construction providing two, three, four and five-room apartments, and three, four and five-room group houses. Covering less than one-third of the total area, space is left for lawns, play areas, walks and drives. Central laundries and social units are available. Central heating is provided. Each dwelling has a gas range and an electric refrigerator.

JULIA C. LATHROP HOMES, CHICAGO, ILLINOIS

SITE:	Vacant area, 35.3 acres
ALLOTMENT:	\$5,862,000
STRUCTURE TYPE:	3-story apartments; 2-story group houses and 2-story flats

SIZE: 3,254 rooms; 925 living units

AVERAGE RENTAL PER ROOM: \$5.43 per month plus service charge of \$1.87 for gas cooking, heat, hot water, electric lighting and refrigeration

Julia C. Lathrop Homes, named for the nationally famous social worker, was sponsored by the Chicago General Advisory Board on Housing.

The site is adjacent to industrial centers of North Chicago and within reasonable distance for workers employed in the Loop. Hamlin and Lincoln parks are near and school and transportation facilities are adequate. The area is bounded by Clyburn and North Damen Avenues and by the North Branch of the Chicago River.

The 24 fireproof buildings consist of two, three, four, and five-room apartments and three, four and five-room group houses and flats, with laundries and social units. Each unit is equipped with a gas cooking range and an electric refrigerator. The project is heated by a central plant.

Ample lawns, surfaced play areas, drives and walks are provided.

TRUMBULL PARK HOMES, CHICAGO, ILLINOIS

SITE: Vacant area, 20.9 acres

ALLOTMENT: \$3,038,000

STRUCTURE TYPE: 4-story apartments, 2-story group houses and 2-story flats

SIZE: 1,733 rooms; 462 living units

AVERAGE RENTAL PER ROOM: \$5.43 per month plus service charge of \$1.87 for gas cooking, heat, hot water, electric lighting and refrigeration

Trumbull Park Homes was sponsored by the General Advisory Board on Housing, and the South Chicago Business Association.

In a highly industrialized section of the city, the project is within walking distance of many industries. A school and small park with

recreational facilities are adjacent to the site. Approximate boundaries are Trumbull Park, Bensely Avenue, and the Chicago & Western Indiana Railroad.

The 55 fireproof buildings provide three and four-room apartments and three, four and five-room group houses and flats. Tenants have recreation units and central laundries at their disposal. All dwellings are equipped with gas cooking ranges and electric refrigerators. The project is heated from a central plant.

LAUREL HOMES, CINCINNATI, OHIO

SITE: Slum area, 23.8 acres

ALLOTMENT: \$7,086,000

STRUCTURE TYPE: 3 and 4-story apartments

SIZE: 3,362 rooms; 1,039 living units

Laurel Homes was sponsored by the Cincinnati Metropolitan Housing Authority.

Located in the crowded 'Basin District,' the project replaces an area of substandard housing well-known as a centre of crime and delinquency. The site is bounded by Liberty Street, Terminal Parkway, John, and Linn Streets.

The brick and tile fireproof buildings cover slightly more than one-fifth of the project site. Dwellings range in size from two to five rooms and all units are equipped with gas cooking ranges and electric refrigerators. The entire development is heated from a central plant.

CEDAR-CENTRAL APARTMENTS CLEVELAND, OHIO

SITE: Slum area, 18.2 acres

ALLOTMENT: \$3,384,000

STRUCTURE TYPE: 3-story apartments; stores and garages

SIZE: 2,296 rooms; 650 living units

AVERAGE RENTAL PER ROOM: \$5.71 per month plus service charge of \$1.64 for heat, hot water, light and refrigeration

The Cedar-Central project is an outgrowth of the original limited dividend proposals of Cleveland Homes, Inc. Ultimate sponsor was the Cleveland Metropolitan Housing Authority.

The site is bounded by Cedar Avenue, Central Avenue, and East Thirtieth and Twenty-second Streets. It is situated in one of the seven major blighted areas of Cleveland and is part of the city's long-range rehabilitation plan. Industrial and commercial areas are near. Schools, libraries and other public institutions serve the immediate neighbourhood.

The 19 fireproof buildings provide two, three, four and five-room apartments with social units, garages, stores and central laundries. Each unit is equipped with electric refrigerator and gas cooking range. Heating is from a central plant. Buildings cover less than one-fourth of the total area.

OUTHWAITE HOMES, CLEVELAND, OHIO

SITE: Slum area, 20.8 acres

ALLOTMENT: \$3,564,000

STRUCTURE TYPE: 3-story apartments, 2-story group houses, 2-story flats; stores and garages

SIZE: 2,166 rooms, 579 living units

AVERAGE RENTAL PER ROOM: \$4.78 per month plus service charge of \$1.80 for heat, hot water, light and refrigeration

Outhwaite Homes is part of the plans originally proposed by Cleveland Homes, Incorporated, a limited dividend company. It was taken over by PWA under the sponsorship of the Cleveland Metropolitan Housing Authority.

The site is bounded by Scoville, Outhwaite, and Woodland Avenues, East Forty-sixth, East Fifty-fifth, and East Fortieth

Streets. The population of the area was largely Negro. Within its boundaries are the Outhwaite Social Center, Outhwaite Public School, Kennard Junior High, and East Technology High School. Commercial and light industrial centers are near.

The 17 fireproof buildings afford accommodations in three and four room apartments and two, three, four and five-room group houses and flats. Approximately one-fourth of the area is covered by buildings. Tenant facilities include social units, central laundries, garages and stores. Each unit has electric refrigerators and gas cooking ranges.

LAKEVIEW TERRACE, CLEVELAND, OHIO

SITE: Slum area, 22.3 acres

ALLOTMENT: \$3,800,000

STRUCTURE TYPE: 2 and 3-story apartments, 2 and 3-story group houses, stores and garages

SIZE: 2,311 rooms; 620 living units

AVERAGE RENTAL \$5.84 per month plus service charge of \$1.53
PER ROOM: for heat, hot water, light and refrigeration

Like the other Cleveland projects, Lakeview Terrace resulted from a modification of plans originally proposed by Cleveland Homes, Incorporated. It was sponsored by the Cleveland Metropolitan Housing Authority.

The site slopes toward the lake giving the project an excellent view of Lake Erie. Formerly known as the 'Whiskey Island' slum, the site is bounded by West Twenty-ninth Street, River Avenue, Mulberry Avenue, Maine Avenue and Washington Avenue.

The forty-six buildings which make up the community provide three, four and five-room apartments and four, five and six-room group houses. An auditorium, club rooms, a nursery school, garages and central laundries are included. The total area covered is less than one-fourth of the site. The dwellings are centrally heated and have gas ranges and electric refrigerators.

Appendix A

UNIVERSITY TERRACE
COLUMBIA, SOUTH CAROLINA

SITE:	Slum area, 4.1 acres
ALLOTMENT:	\$706,000
STRUCTURE TYPE:	3-story apartments; 1 and 2-story group houses and 2-story flats
SIZE:	415 rooms; 122 living units
AVERAGE RENTAL PER ROOM:	\$4.50 per month shelter, rent for hot water, light, refrigeration and cooking

University Terrace is sponsored by the Columbia Municipal Housing Authority.

The site is opposite the University of South Carolina and near a Negro grade school and a Negro high school. No community facilities are provided, because those in the schools are considered adequate. A nearby park has sufficient outdoor play space. Boundaries are Divine, Bull, Blossom and Marion Streets. Shacks on the area prior to demolition lacked decent sanitary facilities.

The 8 fireproof buildings which make up the community provide three, four and five-room apartments and two, three, four and five-room group houses. Facilities at the disposal of tenants include lawns, play areas and social units. The apartments are equipped with electric cooking ranges and electric refrigerators. The group houses have electric refrigerators and coal ranges with hot water tanks. Less than one-fourth of the total ground area is covered by buildings.

CEDAR SPRINGS PLACE, DALLAS, TEXAS

SITE:	Vacant area, 22.3 acres
ALLOTMENT:	\$1,020,000
STRUCTURE TYPE:	2-story apartments, 1-story group houses and 2-story flats

SIZE: 598 rooms; 181 living units

AVERAGE RENTAL \$6.34 per month plus service charge of \$1.58
PER ROOM: for heat, hot water, light, refrigeration and
cooking

Cedar Springs Place is sponsored by the Dallas Housing Advisory Committee.

The site is bounded by Hartford Street, Lucas Drive, Maple Avenue and Hawthorne Avenue. Part of the area is a municipally-maintained play park. Schools, shopping and employment centers are near. The area is zoned for residential purposes.

The 28 fireproof buildings with stucco exteriors which make up the community provide three-room apartments and two, three, four and five-room row houses and flats. Less than one-tenth of the project is utilized for building space. The remainder is devoted to lawns, play areas, drives and walks. Social units and central laundries are at the disposal of tenants. Each dwelling is equipped with an electric refrigerator and a gas cooking range. The project is heated from a central plant.

BREWSTER, DETROIT, MICHIGAN

SITE: Slum area, 27.3 acres

ALLOTMENT: \$5,200,000

STRUCTURE TYPE: 3-story apartment, 2-story group houses and 2-story flats

SIZE: 2,360 rooms; 701 living units

The Brewster development is sponsored by the Detroit Housing Commission, a local body appointed by the Mayor.

The approximate boundaries of the site are Rowena, Hastings, St. Antoine, Wilkins, and Beaubien Streets. The area was formerly populated by Negroes who were being driven out by bad health conditions.

The 35 buildings which make up the community consist of two, three, and four-room apartments, and three, four and five-room group houses and flats. Recreation rooms, stores, laundries and play areas will be at the disposal of tenants. Electric cooking ranges and electric refrigerators are included as standard equipment. About one-third of the total area is covered by buildings. The remainder is devoted to lawns, play areas, walks and drives. The development is heated by a central plant.

PARKSIDE, DETROIT, MICHIGAN

SITE: Vacant area, 30.6 acres

ALLOTMENT: \$4,500,000

STRUCTURE TYPE: 3-story apartments, 2-story group houses and 2-story flats

SIZE: 2,827 rooms; 775 living units

The sponsor for the Parkside Housing project is the Detroit Housing Commission.

The site was formerly vacant land under one ownership. Bounded by Chandler Park on the North, the site has good recreational facilities and is near industrial plants. Frankfort Road, Warren, Gray and Connors Avenues are the boundaries.

Fifty-seven fire-resistive buildings make up the community. Covering less than one-fourth of the total area, they leave space for play areas, lawns, walks and drives. Apartment sizes range from two to four rooms; group houses and flats, from three to five. At the disposal of the tenants will be social units and central laundries. Each dwelling is equipped with electric cooking range and electric refrigerator. The development is heated from a central plant.

CHEROKEE TERRACE, ENID, OKLAHOMA

SITE: Slum area, 4.8 acres

ALLOTMENT: \$557,100

STRUCTURE TYPE: 1 and 2-story group houses

SIZE: 311 rooms; 80 living units

AVERAGE RENTAL \$5.52 per month plus service charge of \$1.52
PER ROOM: for heat, hot water, light, refrigeration and
cooking

Cherokee Terrace is sponsored by the Enid Housing Advisory Committee. The Works Progress Administration cooperated in providing the labour necessary to demolish existing buildings.

The site, formerly a district of nondescript frame houses, is bounded by East Main Street, East Oklahoma Street, South Sixth Street, and South Seventh Street. Schools and churches are near and Enid Springs park is adjacent to the area.

Eight fireproof structures with dwellings ranging in size from three to five rooms, make up the community. Buildings cover less than one-fifth of the site leaving space for play areas, lawns, walks and drives. Tenants will have access to social units and a central laundry. Each dwelling is equipped with gas cooking range and gas refrigerator. The project is heated from a gas-fired central heating plant.

LINCOLN GARDENS, EVANSCVILLE, INDIANA

SITE: Slum area, 11.1 acres

ALLOTMENT: \$1,000,000

STRUCTURE TYPE: 1 and 2-story group houses and 2-story flats

SIZE: 563 rooms, 191 living units

The sponsoring group for Lincoln Gardens is the Evansville Housing Advisory Committee. The project has also received the support of the City Plan Commission and the Mayor's Sponsoring Committee.

Bounded by Canal Street, Tidrington Street, Lincoln Avenue, and Governor Street, the site is part of the worst slum area in the

city. School, recreational and clinical facilities are accessible to tenants.

The community is composed of 16 fireproof structures in which dwellings range in size from three to four rooms. Combination kitchen laundry trays are provided in each dwelling as are gas cooking ranges and electric refrigerators. Heating is taken care of by individual units. The structures cover less than one-fifth of the area leaving space for play areas, lawns, walks and drives.

LOCKEFIELD GARDEN APARTMENTS INDIANAPOLIS, INDIANA

SITE:	Slum area, 22.1 acres
ALLOTMENT:	\$3,207,000
STRUCTURE TYPE:	3 and 4-story apartments and 2-story group houses
SIZE:	2,538 rooms; 748 living units
AVERAGE RENTAL PER ROOM:	\$4.43 per month plus service charge of \$2.13 for heat, hot water, light, refrigeration and cooking

Lockefield Garden Apartments was sponsored by the Indianapolis Advisory Committee on Housing. The entire site was acquired by condemnation.

The center of a bad Negro slum area, the site is bounded by Indiana Avenue, Locke, North and Blake Streets. It adjoins a large medical center, including the Indiana University School of Medicine. The site is within a mile of the principal business district. Negro schools are near by.

The 24 fire-resistant buildings which make up the project provide apartments ranging in size from three to five rooms, and group houses of four rooms. The structures cover less than one-fifth of the total site leaving space for play area, lawns, walks and drives. Social units, storage rooms and central laundries are at the disposal

of tenants. Each dwelling has an electric cooking range and an electric refrigerator. Steam heat is purchased from the Indianapolis Power and Light Company.

DURKEEVILLE, JACKSONVILLE, FLORIDA

SITE: Vacant area, 20.2 acres

ALLOTMENT: \$948,000

STRUCTURE TYPE: 1 and 2-story group houses

SIZE: 701 rooms; 215 living units

AVERAGE RENTAL \$4.24 per month plus service charge of \$0.82
PER ROOM: for light and refrigeration. (Coal ranges are used for cooking and hot water.)

Durkeeville was sponsored by the Municipal Housing Board of Jacksonville.

The project is bounded by McConihe, Seventh, Sixth, Payne, Myrtle, and Wilcox Streets. Schools, playgrounds, employment and shopping centers are near.

The 34 fire-proof buildings with stucco exteriors which make up the project provide two, three, four and five-room group houses. The structures cover less than one-sixth of the total area, leaving room for playgrounds, lawns, gardens, walks and drives. All dwellings are provided with electric refrigeration and coal ranges. First tenants moved into the project 19 June 1937.

BAKER HOMES, LACKAWANNA, NEW YORK

SITE: Vacant area, 12 acres

ALLOTMENT: \$1,610,000

STRUCTURE TYPE: 2-story group houses and 2-story flats

SIZE: 1,110 rooms; 271 living units

Baker Homes was sponsored by the Lackawanna Municipal Housing Authority.

The project is bounded by Steelawanna Avenue, Wilmuth, Wilson and Holbrook Streets. A school and municipal playground are near the site and bus service to all parts of the city is available.

The 24 structures are frame with brick veneer. They provide three-room apartments in flats and three, four, five and six-room dwellings in group houses. The structures cover about one-fourth of the total site. Each dwelling is equipped with a gas cooking range and an electric refrigerator. Heat is supplied from a central plant.

BLUE GRASS PARK, ASPENDALE LEXINGTON, KENTUCKY

SITE: Vacant area, 67.8 acres

ALLOTMENT: \$1,704,000

STRUCTURE TYPE: 1 and 2-story group houses

SIZE: 947 rooms; 286 living units

AVERAGE RENTAL \$5.13 per month plus service charge of \$1.67
PER ROOM: for heat, hot water, light, cooking and refrigeration

Blue Grass Park was sponsored by the Lexington Municipal Housing Commission.

The site was the Old Kentucky Jockey Club race track. The ground slopes in two directions, lending itself to a divided project, one part near a white residential district, the other part near a coloured district. The development is conveniently located to transportation, schools, shopping and employment centers.

Forty-eight fireproof buildings of brick and tile construction make up the development. All dwellings have gas cooking ranges and electric refrigerators. The project is heated from a central heating plant. The dwellings, all in group houses, range from two to five rooms in size.

LA SALLE PLACE, LOUISVILLE, KENTUCKY

SITE:	Vacant area, 13.6 acres
ALLOTMENT:	\$1,350,000
STRUCTURE TYPE:	1 and 2-story group houses
SIZE:	797 rooms; 210 living units
AVERAGE RENTAL PER ROOM:	\$4.70 per month plus service charge of \$1.56 for light, gas, refrigeration and cooking, heat and hot water

La Salle Place was sponsored by the Louisville Committee on Housing.

The project lies along the Dixie Highway on the West, McClosky Avenue on the East, Algonquin Parkway to the South and Kentucky and Indiana Terminal Railroad on the North.

The 35 fireproof structures afford three, four and five-room dwellings. Occupying only one-fifth of the total area, the structures leave ample space for lawns, play areas, walks and drives. Each unit is equipped with gas ranges and gas refrigerators. Central laundries and social units are at the disposal of tenants. The project is heated from a central plant.

COLLEGE COURT, LOUISVILLE, KENTUCKY

SITE:	Vacant area; 5.2 acres
ALLOTMENT:	\$758,000
STRUCTURE TYPE:	1 and 2-story group houses and 2-story flats
SIZE:	407 rooms; 125 living units
AVERAGE RENTAL PER ROOM:	\$4.70 per month plus service charge of \$1.33 for gas cooking and refrigeration, heat and hot water

Appendix A

Sponsored by the Louisville Advisory Committee, the project is within easy walking distance of employment centers. It is bounded by Florence Place, Seventh Street, Kentucky Avenue and Eighth Street.

Grouped around a series of courts, the structures afford two, three, four and five-room dwellings. Coverage of land is less than 25 per cent. The remainder is devoted to lawns, play areas, walks and drives. Kitchens in each unit are equipped with gas cooking ranges and gas refrigerators. The development is heated from a central plant. Social units and central laundries are available.

DIXIE HOMES, MEMPHIS, TENNESSEE

SITE:	Slum area, 42.3 acres
ALLOTMENT:	\$3,400,000
STRUCTURE TYPE:	1 and 2-story group houses and 2-story flats
SIZE:	2,004 rooms; 633 living units
AVERAGE RENTAL PER ROOM:	\$4.61 per month plus service charge of \$1.17 for electric light, gas cooking and refrigeration, heat and hot water

Sponsored by the Memphis Housing Authority, Dixie Homes is one mile east of the central business district between Poplar, Ayers, Peach and Decatur Streets. Schools are near and adequate for the needs of project tenants. The LeMoyne College for Negroes is in the neighbourhood.

Seventy-six structures make up the development. Constructed of brick, tile and concrete, the buildings are fireproof, and contain two, three, four and five-room units. Social rooms and central laundries are at the disposal of tenants. Each dwelling is equipped with gas cooking ranges, and gas refrigerators. Heat is supplied from a central plant.

The buildings cover about one-sixth of the total project area leaving space for play areas, lawns, walks and drives.

LAUDERDALE COURTS, MEMPHIS, TENNESSEE

SITE:	Slum area, 26 acres
ALLOTMENT:	\$3,128,000
STRUCTURE TYPE:	3-story apartments and 1 and 2-story group houses
SIZE:	1,574 rooms; 449 living units
AVERAGE RENTAL PER ROOM:	\$4.61 per month plus service charge of \$1.17 for electric light, gas cooking and refrigeration, heat and hot water

Lauderdale Courts was sponsored by the Memphis Housing Authority.

Bounded by Winchester, Alabama and Exchange Avenues, Hill Street and Third Street, the development replaces 225 dwellings, half of which were unfit for habitation. Markets, shopping and employment centers are near.

The 63 fireproof buildings on the site cover less than one-fifth of the development. All dwellings have gas cooking ranges and gas refrigerators. The heat is from a central plant. Apartments range in size from three to four rooms. Group houses offer two, three, four and five-room dwellings and a community house with social rooms. Central laundries are provided.

LIBERTY SQUARE, MIAMI, FLORIDA

SITE:	Vacant area, 63 acres
ALLOTMENT:	\$969,880
STRUCTURE TYPE:	1 and 2-story group houses
SIZE:	860 rooms; 243 living units
AVERAGE RENTAL PER ROOM:	\$4.99 per month. Utilities are to be purchased by the tenant

Appendix A

Liberty Square was sponsored by the Miami Advisory Committee on Housing. It lies on the outskirts of Miami bounded by Northwest Thirteenth and Fourteenth Avenues, Northwest Sixty-second and Northwest Sixty-seventh Streets.

The 36 buildings have stucco exteriors, concrete walls and floors, and asbestos shingled roofs. Dwellings range in size from two to five rooms. Oil stoves are provided for cooking. Built-in ice boxes afford refrigeration. Structures cover less than one-fourth of the area leaving space for lawns, play areas, walks and drives. Tenants have at their disposal a community building with rooms for recreation and social purposes.

PARKLAWN, MILWAUKEE, WISCONSIN

SITE:	Vacant area, 42.1 acres
ALLOTMENT:	\$2,600,000
STRUCTURE TYPE:	2-story apartments and 1 and 2-story group houses
SIZE:	2,018 rooms; 518 living units
AVERAGE RENTAL PER ROOM:	\$5.38 per month plus service charge of \$2.08 for heat, hot water, light, refrigeration

Parklawn is a response to a demand for more housing for low-income workers rather than slum clearance. Its sponsor was the Milwaukee Advisory Committee on Housing.

Located on the outskirts of the city, the project is bounded by North Sherman Boulevard, West Hope Avenue, North Forty-second Street and West Congress Street.

The dwellings, three-room apartments and three, four and five-room group houses, are in 62 fireproof buildings covering less than one-sixth of the total site. Ample space is left for play areas, lawns, walks and drives. Central laundries and a community building providing social facilities and a doctor's office are provided. All dwellings have electric cooking ranges and electric refrigerators. Heat is supplied from a central plant.

**SUMNER FIELD HOMES
MINNEAPOLIS, MINNESOTA**

SITE:	Slum area, 31.5 acres
ALLOTMENT:	\$3,632,000
STRUCTURE TYPE:	3-story apartments, 2-story group houses and 2-story flats
SIZE:	1,708 rooms; 464 living units

Sponsored by the Minneapolis Advisory Committee on Housing, Sumner Field Homes is located at the edge of the central industrial district of Minneapolis.

The site is bounded by Eleventh, Seventh, Aldrich, Eighth, Bassett, Sixth, and Emerson Streets. It was a consistently increasing city liability due to its slum character. Phyllis Wheatley House is located on the project site, assuring the tenants the advantages of supervised recreation.

Forty-eight buildings make up the community. Apartments range from three to four rooms. Dwellings in group houses have from two to six rooms. Central laundries and social units are at the disposal of tenants. All dwellings are equipped with gas ranges and electric refrigerators.

RIVERSIDE HEIGHTS, MONTGOMERY, ALABAMA

SITE:	Vacant area; 13.8 acres
ALLOTMENT:	\$411,000
STRUCTURE TYPE:	1 and 2-story group houses and community house
SIZE:	324 rooms; 100 living units
AVERAGE RENTAL	\$5.50 per month. Utilities are to be purchased
PER ROOM:	by the tenant

Appendix A

Riverside Heights was sponsored by the Montgomery Advisory Committee on Housing. Employment and business centers are nearby. The area is bounded by Bell and Eugene Streets, the Nontalla Mills property, and a bluff on the North.

The eleven brick and tile structures which make up the project are arranged around open courts. Dwellings range in size from two to five rooms. All units are equipped with gas ranges for cooking, gas water heaters and ice refrigerators. The buildings occupy less than one-sixth of the total area.

**WILLIAM B. PATERSON COURTS
MONTGOMERY, ALABAMA**

SITE:	Slum area, 7.1 acres
ALLOTMENT:	\$506,000
STRUCTURE TYPE:	1 and 2-story group houses
SIZE:	524 rooms, 156 living units
AVERAGE RENTAL PER ROOM:	\$3.97 per month. Utilities are to be purchased by the tenant

William B. Paterson Courts was sponsored by the Montgomery Advisory Committee on Housing.

The site is located opposite the campus of the Alabama State Normal School for Negroes, and is bounded by Decatur, Thurman and South Union Streets.

Replacing an objectionable slum, the 17 fireproof buildings which make up the project provide dwellings ranging in size from two to five rooms. Social units will be at the disposal of tenants. All dwellings have coal ranges and ice refrigerators. First tenants moved into the project in February 1937.

CHEATHAM PLACE, NASHVILLE, TENNESSEE

SITE:	Slum area, 22.1 acres
ALLOTMENT:	\$2,000,000

SITE: STRUCTURE TYPE: 1 and 2-story group houses

SIZE: 1,045 rooms; 314 living units

AVERAGE RENTAL \$5.06 per month, plus service charge of \$1.73

PER ROOM: for electric light, cooking and refrigeration,
heat and hot water

Cheatham Place was sponsored by the Nashville Advisory Committee of Housing.

It is located close to the shopping center of Nashville and to an industrial area which affords a source of employment. Boundaries are Hume, Cheatham, Taylor and Garfield Streets and Eighth, Ninth and Delta Avenues.

The 60 buildings of fireproof brick and tile construction with pitched roofs are arranged in parallels, leaving wide spaces for lawns and play areas. They cover one-fifth of the total area. Tenants have the additional recreation facilities provided by a community house. Dwellings range in size from two to five rooms. Each has an electric cooking range and an electric refrigerator. The development is heated from a central plant.

ANDREW JACKSON COURTS NASHVILLE, TENNESSEE

SITE: Slum area, 20.9 acres

ALLOTMENT: \$1,890,000

STRUCTURE TYPE: 1 and 2-story group houses and 2-story flats

SIZE: 1,261 rooms; 398 living units

AVERAGE RENTAL \$5.06 per month plus service charge of \$1.73
PER ROOM: for electric light, refrigeration, cooking, heat
and hot water

Andrew Jackson Courts was sponsored by the Nashville Advisory Committee on Housing.

The site adjoins Fisk University and is bounded by Jackson, Seventeenth Avenue, Desha Street, and the Tennessee Central Railroad. It was a slum area and a consistent civic liability.

The 49 structures which make up the site are frame construction with brick veneer. They provide dwellings ranging in size from two to five rooms, each of which is equipped with an electric cooking range and an electric refrigerator. Social units are provided for tenant recreation. The development is heated from five group heating units. Covering less than one-fourth of the total area the buildings leave ample space for play areas, lawns, walks and drives.

WILLIAMSBURG HOUSES, NEW YORK, NEW YORK

SITE:	Slum area, 25 acres
ALLOTMENT:	\$13,459,000
STRUCTURE TYPE:	4-story walk-up apartments
SIZE:	5,688 rooms; 1,622 living units
AVERAGE RENTAL PER ROOM:	\$7.12 per month plus utility charge of \$1.40 for heat, hot water, light, cooking and refrigeration

Williamsburg Houses, sponsored by the New York City Housing Authority, was the largest project in the PWA Housing programme. It is under lease to the New York City Housing Authority.

Located in the heart of Brooklyn and replacing a wide slum area, the project is bounded by Leonard, Maujer, and Scholes Streets and Bushwick Avenue.

Dwellings in the 20 fireproof buildings which make up the community range in size from two to five rooms. All are equipped with electric ranges and electric refrigerators. Facilities for tenants include social units, basement laundries, nursery schools and a health clinic. The project is heated from group plants. First tenants moved into the new units 30 September 1937.

HARLEM RIVER HOUSES, NEW YORK, NEW YORK

SITE:	Vacant area, 8.5 acres
ALLOTMENT:	\$4,219,000
STRUCTURE TYPE:	4 and 5-story walk-up apartments
SIZE:	1,940 rooms; 574 living units
AVERAGE RENTAL PER ROOM:	\$7.10 per month plus service charge of \$1.42. Heat and hot water are included in the base rental. The service charge covers light, refrigeration and cooking

Harlem River Houses was sponsored by the New York City Housing Authority, and like the Williamsburg project, is under lease to its sponsor.

The project site is bounded by the Harlem River, Macombs Place, One Hundred and Fifty-first Street and One Hundred and Fifty-third Street.

The structures cover slightly more than one-fourth of the project site. They are fireproof and arranged in three groups. Each group has its heating plant in the basement of the building. Facilities for tenants include laundries, social units, nursery schools and a health clinic. Dwellings range in size from two to five rooms. All have gas ranges and electric refrigerators.

First tenants moved into the project 4 September 1937.

**WILL ROGERS COURTS
OKLAHOMA CITY, OKLAHOMA**

SITE:	Vacant area, 36.8 acres
ALLOTMENT:	\$2,000,000
STRUCTURE TYPE:	1 and 2-story group houses
SIZE:	1,232 rooms; 354 living units

Appendix A

AVERAGE RENTAL \$5.38 per month plus service charge of \$1.33 for
PER ROOM: heat, hot water, light, cooking and refrigeration

Will Rogers Courts was sponsored by the Oklahoma City Advisory Committee on Housing.

The site is bounded by Westwood Boulevard, Rotary Park, Oklahoma City Junction Railway, and the west line of Ribble Addition. The project is within walking distance of many centers of employment. Two grade schools, a junior high school and a senior high school are located in the neighbourhood.

The 85 structures are of brick and tile construction and cover less than 13 per cent of the total area, leaving ample space for playgrounds, lawns, gardens, walks and drives. Tenants have at their disposal, club rooms and laundries. Dwellings range in size from two to five rooms. All are equipped with gas cooking ranges and gas refrigerators. The first tenants to occupy the new dwellings moved in 1 September 1937.

**LOGAN FONTENELLE HOMES
OMAHA, NEBRASKA**

SITE: Slum area, 15.4 acres

ALLOTMENT: \$1,955,000

STRUCTURE TYPE: 1 and 2-story group houses and 2-story flats

SIZE: 1,114 rooms; 284 living units

AVERAGE RENTAL \$4.66 per month plus service charge of \$2.12
PER ROOM: for electric light and refrigeration, gas cooking,
heat and hot water

Logan Fontenelle Homes was sponsored by the Omaha Housing Authority. The site was an area of substandard housing, bounded by Paul Street, Seward Street and the alley east of Twentieth Street to Twenty-fourth Street. It lies between a good residential area and the commercial district.

The 29 fireproof buildings provide dwellings ranging from three to five and one-half rooms. All units have gas cooking ranges and electric refrigerators. Tenants will have at their disposal laundries and social units.

HILL CREEK, PHILADELPHIA, PENNSYLVANIA

SITE: Vacant area, 24 acres

ALLOTMENT: \$2,110,000

STRUCTURE TYPE: 1 and 2-story group houses and 2-story flats

SIZE: 999 rooms; 258 living units

AVERAGE RENTAL \$5.08 per month plus service charge of \$2.17
PER ROOM: for electric light, refrigeration, heat and hot water

The Hill Creek housing project was sponsored by the Philadelphia Housing Advisory Committee.

The site is bounded by Rising Sun Avenue, Adams Avenue, Tacony Creek, and Bingham Street, in Frankford.

The 38 buildings which make up the project are of fireproof brick and tile construction, covering less than 15 per cent of the total area. All dwellings are equipped with electric cooking ranges and electric refrigerators and vary in size from three to five rooms.

CASERIO LA GRANJA CAGUAS, PUERTO RICO, W. I.

SITE: Vacant area, 10 acres

ALLOTMENT: \$275,000

STRUCTURE TYPE: 1-story group houses

SIZE: 287 rooms; 78 living units

AVERAGE RENTAL \$2.24 per month. Tenants will contract individually for utility services
PER ROOM:

The Caserio La Granja project was made possible in Puerto Rico by the transferring of \$275,000 to the Housing Division by the Puerto Rico Reconstruction Administration. The city dedicated the site, formerly an experimental farm.

The 29 structures which make up the development are flat-roofed houses of reinforced concrete. Windows are not glassed in, but may be securely closed with battened shutters. No heating is necessary. Built-in charcoal burners set in concrete slabs constitute cooking facilities. Lighting is electric and every unit has running water and toilet facilities. Dwellings range in size from three to five rooms. Tenant conveniences include a community building and a nursery school.

**CASERIO MIRAPALMERAS
SAN JUAN, PUERTO RICO, W. I.**

SITE:	Vacant area, 12.5 acres
ALLOTMENT:	\$500,000
STRUCTURE TYPE:	1-story group houses
SIZE:	537 rooms; 131 living units
AVERAGE RENTAL PER ROOM:	\$2.30 per month. Tenants will contract individually for utility services

The Caserio Mirapalmeras project was sponsored by the Island Governor and the Puerto Rican Housing Advisory Committee, on land dedicated by the city.

The 44 structures which make up the development are flat-roofed houses of reinforced concrete. Windows are not glassed in, but may be securely closed with battened shutters. No heating is necessary. Built-in charcoal burners set in concrete slabs constitute cooking facilities. Lighting is electric and every unit has running water and toilet facilities. Dwellings range in size from two to five rooms. A community building and a central laundry are provided.

SCHONOWEE VILLAGE, SCHENECTADY, NEW YORK

SITE: Slum area, 7.3 acres

ALLOTMENT: \$1,435,000

STRUCTURE TYPE: 3-story apartments

SIZE: 717 rooms; 219 living units

The Schenectady Municipal Housing Authority sponsored Scho-nowee Village. The site lies on a hillside between Hamilton Street and Broadway and is traversed by Millard Street, within walking distance of Schenectady's principal industries and shopping centers.

The five structures which make up the project are of brick and tile fireproof construction. They provide dwellings ranging in size from two to five rooms. Each dwelling is equipped with gas cooking ranges and electric refrigerators. Heating is from three group plants. Social units and laundry facilities are at the disposal of tenants.

FAIRFIELD COURT, STAMFORD, CONNECTICUT

SITE: Vacant area, 4.5 acres

ALLOTMENT: \$884,000

STRUCTURE TYPE: 3-story apartments and 1 and 2-story group houses

SIZE: 499 rooms; 146 living units

AVERAGE RENTAL \$5.82 per month plus service charge of \$2.95
PER ROOM: for heat, light, cooking, refrigeration and hot water

Fairfield Court was sponsored by the Mayor's Housing Committee of Stamford, on a site bounded approximately by Stillwater Avenue, Fairfield Avenue, Hazel Street, and Finney Lane. Schools,

Appendix A

sources of employment, shopping centers, principal business districts and playgrounds are nearby.

The eight fireproof structures which make up the development are of brick and tile construction, providing dwellings ranging in size from two to five rooms. Each dwelling is equipped with an electric range, and an electric refrigerator. Steam heat and hot water are supplied from a central plant. Social units and central laundries are at the disposal of tenants.

First tenants to occupy the project moved in 1 September 1937.

BRAND WHITLOCK HOMES, TOLEDO, OHIO

SITE:	Slum area, 15.8 acres
ALLOTMENT:	\$2,000,000
STRUCTURE TYPE:	3-story apartments, 2-story group houses, and 2-story flats
SIZE:	907 rooms; 264 living units
AVERAGE RENTAL PER ROOM:	\$5.03 per month plus service charge of \$2.11 for electric light and refrigeration, heat and hot water.

Brand Whitlock Homes was sponsored by the Toledo Metropolitan Housing Authority.

The site is near the business section of Toledo and was once a slum exacting a heavy toll in disease and crime. It is bounded by Belmont and Nebraska Avenues, Division Street, and Canal Boulevard.

The 19 fireproof structures which make up the development provide two and three-room apartments and two, three, four and five-room dwellings in group houses. All dwellings have gas cooking ranges and electric refrigerators. At the disposal of tenants are recreation rooms and laundries. The structures cover slightly more than one-fifth of the total site, leaving space for play area, lawns, walks and drives.

VIRGIN ISLANDS, W. I.

SITE:	The sites of Bassin Triangle and Marley Homes on the Island of St. Croix were vacant. They have 5.3 acres and 16.8 acres respectively. H.H. Berg Homes on the Island of St. Thomas was a slum site of 13.7 acres
ALLOTMENT:	\$250,000
STRUCTURE TYPE:	1-story group houses
SIZE:	Bassin Triangle has 54 rooms; 30 living units. Marley Homes has 70 rooms; 38 living units. H.H.Berg Homes has 106 rooms; 58 living units
AVERAGE RENTAL PER ROOM:	\$2.40 per month for all three projects. Tenants will contract individually for electric lighting

The three Virgin Islands projects were sponsored by the Advisory Committees on Housing in St. Croix and St. Thomas. They were designed to alleviate a serious housing shortage and provide employment for a large group of unemployed labourers.

Bassin Triangle borders the town of Christiansted on the east side. Marley Homes is on land donated to the Insular Government by the City of Fredericksted. The H.H.Berg Homes site cleared a small slum area of about 30 dilapidated houses.

The structures of all three projects are of concrete, designed to withstand the violence of tropical storms. To overcome scarcity of drinking water on the islands cisterns are provided for each dwelling. Floors are wooden over concrete. Windows have battened shutters. Dwellings vary in size from one to three rooms. Cooking is done over charcoal burners set in cement slabs just outside the kitchen door.

LANGSTON, WASHINGTON, D.C.

SITE:	Vacant area, 13.8 acres
ALLOTMENT:	\$1,842,000

Appendix A

STRUCTURE TYPE: 3 and 4-story apartments, 2-story group houses and 2-story flats

SIZE: 903 rooms; 274 living units

AVERAGE RENTAL PER ROOM: \$5.40 per month plus service charge of \$2.05 for electric lighting, refrigeration, cooking, heat and hot water

The Langston project was sponsored by the Washington Committee on Housing.

The site adjoins a large school group on Benning Road between Twenty-first and Twenty-fourth Streets.

Fifteen fireproof buildings of brick and tile make up the Langston development. They provide apartments ranging in size from two to four rooms and three, four and five-room dwellings in group houses. All dwellings are equipped with electric cooking ranges and electric refrigerators. Tenants will have at their disposal laundry facilities and recreation rooms. The entire development is heated from a central plant.

HIGHLAND HOMES, WAYNE, PENNSYLVANIA

SITE: Slum area, 2.1 acres

ALLOTMENT: \$344,000

STRUCTURE TYPE: 2-story group houses and 2-story flats

SIZE: 168 rooms, 50 living units

AVERAGE RENTAL PER ROOM: \$4.55 per month plus service charge of \$2.31 for heat and hot water

Highland Homes was sponsored by the Wayne Advisory Committee on Housing.

The site is bounded by Highland Avenue, the Philadelphia & Western Railroad right-of-way, and Finamore Street.

Five fireproof buildings make up the development, providing

dwellings ranging in size from two to five rooms. All dwellings have gas cooking ranges and ice refrigerators. Heat and hot water are supplied from a central plant. Tenants have at their disposal a laundry and social units. The buildings cover one fifth of the total area, leaving space for lawns, gardens, and playgrounds.

**LIST OF PWA
LIMITED DIVIDEND HOUSING PROJECTS**

ALTA VISTA, VIRGINIA

TOTAL COST, INCLUDING LAND: \$100,000

SITE: Vacant area, 13 acres

STRUCTURE TYPE: Single-family frame houses

SIZE: 50 living units

**AVERAGE RENTAL
PER ROOM:** \$3.50 per month, without heat,
light, stove, water or ice-box

The Alta Vista project was built by the Alta Vista Corporation on a PWA loan of \$84,000.

Alta Vista is in the Otter River District of Campbell County about 20 miles south of Lynchburg. The project is designed to provide quarters for employees of local industries at rentals within their means.

The dwellings are all 4-room frame buildings. They have no basements. They occupy less than one-fifth of the total area; the remainder being devoted to lawns and gardens.

**BOULEVARD GARDENS, WOODSIDE
QUEENS, NEW YORK**

TOTAL COST, INCLUDING LAND: \$4,086,600

SITE: Vacant area, 12.9 acres

STRUCTURE TYPE:	6-story apartments
SIZE:	3,615 rooms; 957 living units
AVERAGE RENTAL PER ROOM:	\$11 with heat, hot water and refrigerators. Does not include gas or electricity

Boulevard Gardens on Long Island was sponsored by the Boulevard Gardens Housing Corporation. The PWA loan amounted to \$3,069,587.

The project is bounded by Hobart Street and Thirtieth and Thirty-first Avenues, and is only 12 minutes by subway from Times Square. The ten six-story structures occupy less than one-fourth of the project site. The remainder is converted into parks of a playground. Dwellings vary in size from 2 to 5½ rooms. Recreation and work rooms are at the disposal of tenants.

BOYLAN, RALEIGH, NORTH CAROLINA

TOTAL COST, INCLUDING LAND:	\$233,600
SITE:	Vacant area, 1.15 acres
STRUCTURE TYPE:	3-story apartments
SIZE:	180 rooms; 54 living units
AVERAGE RENTAL PER ROOM:	\$11 per month, with heat, hot water, electric stoves and refrigerators. No current furnished

The project was sponsored by the Boylan Housing Corporation with a PWA loan of \$198,000 is located midway between the center of the town and the State University.

Covering slightly more than one-fourth of the area, the three fireproof apartment buildings, leave ample space for lawns and walks. Dwellings have 3½ and 4½ rooms.

CARL MACKLEY HOUSES, PHILADELPHIA

TOTAL COST, INCLUDING LAND: \$1,123,713

SITE: Vacant area, 5.5 acres

STRUCTURE TYPE: 3-story apartments

SIZE: 1,085 rooms; 284 living units

AVERAGE RENTAL
PER ROOM: \$9.45 with heat, electricity, refrigeration, cooking fuel, and laundry facilities, including washing machines and dryers

The project was sponsored by the American Federation of Hosiery Workers and built by the Juniata Park Housing Corporation. The Corporation received a PWA loan of \$1,030,000.

The site is bounded by Castor Avenue, Cayuga, M and Bristol Streets. The four buildings are of fireproof brick and tile construction. They provide dwellings ranging in size from $2\frac{1}{2}$ to 5 rooms. Tenants have at their disposal a swimming pool, a wading pool for small children, a nursery school, an auditorium, recreation rooms, and workshops. Structures cover 35 per cent of the site, leaving space for ample outdoor recreation.

EUCLID HOUSING, EUCLID, OHIO

TOTAL COST (ESTIMATED): \$500,000

SITE: The houses are scattered on separate lots throughout the town

STRUCTURE TYPE: Individual and double houses

SIZE: 72 houses, 4 to 6 rooms per house

AVERAGE RENTAL
PER ROOM: The houses are sold to be paid for over a 15-year period

Each of the 72 detached houses was built on the basis of a 80%

loan not to exceed \$6,000 advanced by the Euclid Housing Corporation, a non-profit organization. The remaining 25% is provided as equity in land or cash or both. Land for each house must be owned outright, free of mortgage and clear of title.

HILLSIDE HOMES, BRONX, NEW YORK

TOTAL COST, INCLUDING LAND: \$5,717,871

SITE: Vacant area, 17.3 acres

STRUCTURE TYPE: 4-story walk-up apartments; 6-story elevator

SIZE: 4,948 rooms; 1,416 living units

AVERAGE RENTAL PER ROOM: \$11.00 with heat, hot water and refrigerators. Does not include current for light and refrigerators or gas for cooking

The project was built by the Hillside Housing Corporation, and is subject to the general supervision of the New York State Reconstruction Finance Corporation to the Housing Division of the Public Works Administration, where it received a \$4,988,366 loan.

It was built on an unimproved site facing Boston Post Road and bounded on the other sides by Hicks Street, Wilson Avenue and East Chester Road.

The 5 Buildings are fireproof, providing dwellings which range in size from 2 to 5 rooms. Community facilities include an auditorium, workshops, clubrooms, wading pools, play-grounds, and a nursery school.

NEIGHBOURHOOD GARDENS, ST. LOUIS, MISSOURI

TOTAL COST, INCLUDING LAND: \$740,000 (approximately)

SITE: Slum area, 2.5 acres

STRUCTURE TYPE: 3-story apartments

SIZE:

641 rooms; 252 living units; \$9.80 per month with heat, ice boxes, cooking fuel, and laundry facilities. Tenants provide electricity and ice

The project was sponsored as a limited dividend corporation undertaking by the Neighbourhood Community Committee. The Neighbourhood Gardens, Incorporated, received a loan of \$632,868 from the PWA Housing Division.

The site is located about 5 minutes walk from the business district of the city, and is bounded by Seventh, O'Fallon, Eighth and Biddle Streets.

The 9 fireproof buildings provide dwellings ranging in size from $2\frac{1}{2}$ to $4\frac{1}{2}$ rooms. Community facilities include a social hall, library, club rooms, domestic science kitchen, playground and wading pool. The buildings cover only 35% of the project area, leaving space for lawns, walks and drives.

APPENDIX B

INFORMATION NECESSARY FOR DEVELOPMENT OF A PROJECT

The following pages comprise the statement of information forming the background of the Federal projects of the Housing Division of PWA. The facts called for are fundamental to any housing programme or any housing project.

It is included in appendix to give the reader an idea of the fundamental facts which must be ascertained before any workable project can be developed.

Much of the information listed may not be readily available. The merit and security of the project, however, will depend directly on the adequacy of this background data, on the judgment used in its interpretation, and on the validity of guess necessary to bridge deficiencies. No point, unfortunately, can be ignored with impunity.

A—Need for Public Housing and Eligible Income Groups

A. The Market For New Housing; What Rent Can Be Paid?

1. Population trends by 10-year periods from 1900. (*Is a demand for housing assured?*)
 - (a) Growth of city by total population and by families.
 - (b) Location and shift of total population by races.
 - (c) Density (persons per acre); total population and by racial groups.
 - (d) Change in family size, by races and by total population.
 - (e) Future estimates: Total population, families, races, and densities.
2. Present housing conditions. (*What has been provided in past? Is sufficient, decent, inhabitable housing available to persons of low income?*)
 - (a) Amount, type, condition, and character of housing now existing.
 - (b) Building activity (past 10 years).
 1. Residential building permits, type, number, value, size of family accommodation, etc.
 2. Demolition—extent, policies, under what controls?

3. Compare building permits with recent growth of population and families.
 - (c) Vacancies—percentage, geographic distribution, rental ranges, types, condition, and size of family accommodations; note all unusual conditions affecting vacancy.
 - (d) Rehabilitation of buildings—need for, estimate of extent of rehabilitation feasible and justified.
3. Economic status of population. (*What rent can be paid?*)

The purpose of the program is to aid those income groups which cannot afford, without financial assistance, decent, safe, and sanitary housing as provided by private enterprise. It is, therefore, necessary to determine a workable "standard" of housing in your locality, and to supply the following information. This analysis constitutes the basis on which a decision as to the financial soundness is made and is therefore of prime importance.

- (a) Tabulation of population living in substandard housing by *family size* and *rents* paid for shelter; (where occupancy is expected to be largely of one or more racial groups, separate information should be given for these groups). Rents should be given on a uniform basis as to utilities included, such as heat and water.
- (b) Tabulation of population living in substandard housing by *family size* and *income*; (where occupancy is expected to be largely of one or more racial groups, separate information should be given for these groups).
- (c) Relief-status, past, present, trends. How many families are on relief and to what degree are they dependent? Size of relief families.
- (d) Amount required by families of each size to provide for *minimum adequate living* excluding rent and utilities (by racial groups if distinction is made in (a) and (b)).
- (e) Average amount paid by families of each size for *utilities* not included in rent given in (a) (by racial groups if distinction is made in (a) and (b)).
- (f) Maximum percentages of income paid for rent by families of each size in each income range (do not include exceptional cases).

Suggested Definition of "Substandard Housing"

The Applicant is required to define "Substandard Housing" so that a valid determination of the magnitude and rent-paying ability of the eligible tenant group may be made. This analysis constitutes the basis on which a decision as to the financial soundness of the application is made.

It is recognized that the following criteria will vary widely in different cities. Only a particular study will determine the appropriate revision for each municipality.

Appendix B

No dwelling unit shall be considered decent, safe, and sanitary where one or more of the following conditions exist:

A. Physical Condition:

Any dwelling unit unfit for use, or in need of major repairs or extensive minor repairs to overcome hazard to person, health, or comfort.

B. Equipment:

1. *Water*.—No provision for hot and cold running water.
2. *Bathing Facilities*.—No inside private tub or shower.
3. *Toilet Facilities*.—No inside private water closet.
4. *Cooking*.—No adequate private cooking facilities, including sink with running water.
5. *Heat*.—Inadequate heating facilities; no central heat in building more than two stories high.
6. *Lighting*.—Any room without electric outlet.

C. Planning and Space:

1. *Room sizes*.—Living room with area less than one hundred fifty (150) square feet and width less than ten (10) feet. First bedroom with area less than one hundred (100) square feet and width less than eight (8) feet. Other bedrooms with area less than eighty (80) square feet.
2. *Light and air*.—Any room, except bath, without one or more windows, area of which is equal to at least $1/10$ of the floor area, and which can be opened to $1/20$ of the floor area. Any window not in excess of above requirements, and not opening on street, back or side yard, court, or basement, and supplied with natural light and air. Any bath without adequate light and ventilation.
3. *Privacy*.—Necessity of passing through any bedroom from another bedroom to reach bath, toilet, kitchen, or front entrance.

D. Regulations.—Noncompliance with local building codes, zoning ordinance, or other regulations.

E. Overcrowding.—For the purposes of computing the number of eligible families, a dwelling unit shall be considered substandard because of overcrowded conditions when it is occupied by a total number of persons which exceeds two times the total number of bedrooms, plus one times the number of living rooms. In computing the occupancy capacity of a dwelling unit, bathrooms and kitchens shall not be counted. Children under the age of two shall not be counted as persons for this purpose.

Technical Information

A. Areas in the City Suitable for New Housing:

1. *Land Use. (What areas are suited for housing?)*

- (a) *Location*.—Submit map showing location of existing residential, industrial, commercial, and public areas.

- (b) Industry.—Type, character of employment; trends in change of location.
 - (c) Commerce.—Location, trends of movement.
 - (d) Public.—Location of parks and playgrounds, their operation and supervision; libraries; schools; churches; hospitals.
 - (e) Slum and blighted areas.—Location, extent, trends of spread, attempts to control, reason for spread.
 - (f) Zoning.—Date adopted, type ordinance, effectiveness of enforcement, need for revision, toward what objective. Submit copy of all ordinances or regulations.
 - (g) What is the relation between the zoning plan and existing development stated in (a) above?
2. Plans for Future Development. (*Is housing integrated with all other planned future developments?*)
- (a) City plan and zoning commission.—Date established, character and extent of work; are there any officially adopted plans for the future development of streets, recreation facilities, schools, transit, housing, or any other physical improvements? If any, submit copies. What progress has been made in accomplishing adopted plans?
 - (b) What housing surveys or investigations have the city plan or zoning commissions undertaken? Submit copies.
 - (c) Does the city plan as developed have any legal authority?
 - (d) Can the neighborhoods suited for housing, and the specific section of the city in which the site of the proposed project is located, be protected for residential use?
 - (e) Is the proposed housing project consistent with the following items, planned for the future?

(1) Street plan.	(5) Transit.
(2) Recreation.	(6) Rapid transportation.
(3) Schools.	(7) Industrial expansion.
(4) Public buildings.	(8) Railroad transportation.

B. Specific Site Data:

1. Location of Site of Proposed Project—Description.
- (a) Boundaries.
 - (b) Streets to be closed.
 - (c) Total net area within property lines; sum of purchased plus dedicated.
2. Relationship of Site to City Structure. (*Is the site accessible and convenient?*)
- (a) Streets.—From central business district and industry.
 - (b) Transit.—Means of mass transportation, availability, cost and time to places of employment.
 - (c) Parks and playgrounds.—Location, facilities, extent of use, supervision, availability from site.

Appendix B

- (d) Schools.—Location, age of structures, capacity, and enrollment for past 3 years of all public, private, and parochial schools. Is it necessary to construct new facilities?
 - (e) Land Use.—Survey of extent of land used for various purposes within and immediately adjacent to the site.
 - (f) Sources of employment.—Amount of employment within reasonable time and travel radius. Names of principal employers and average annual wage.
3. Adaptability of Area to Residential Use. (*Is the area desirable for residential use?*)
- (a) Predominant condition and use of the neighborhood.
 - (b) Location of industrial developments which might make site objectionable due to emission of smoke, dust, noise, odor, or vibration.
 - (c) Physical or physiographic features, as watercourses, area subject to inundation, damp, fog, swamp, etc.
 - (d) Prevailing winds.—Winter, spring, summer, fall.
4. Existing Physical Conditions (*What is being displaced?*)
- (a) Topography and soil conditions; describe topography. Do any features require special study? Are borings available? Was area ever a dump?
 - (b) Street structure.—Present arrangement, widths, pavements, block dimensions; are they plotted only, or existing?
 - (c) Utilities.—Surface and subsurface, location, condition, size, availability within and adjacent to site. Ownership of utilities.
 - (d) Housing structures.—Number of existing family accommodations now available, condition of buildings amount of area covered by buildings, number of inside and outside toilet facilities and baths, privies, number of water connections, age of buildings, type and prevalence of accessory buildings.
5. Existing Economic Conditions. (*Can site be acquired at reasonable price?*)
- (a) Assessed valuation of proposed site:
Land; Improvement; Total.
Assessed value of purchased area per sq. ft. within property line.
 - (b) Legal basis of assessment, per cent of actual value.
 - (c) Tax rate per \$1,000 of assessed valuation:
State; County; City; School; Other; Total tax rate.
 - (d) Tax levy:
Total taxes levied against proposed site; total delinquencies on proposed site.
 - (e) Special assessments: Total against proposed site:
Not due; delinquent.
 - (f) Appraisal. (*What is appraised value of proposed site?*)

Total; per square foot; when was appraisal made; by whom; submit copy of appraisal.

(g) Tax-exempt properties.

Define any properties in the site which are exempt from taxation.

(h) Ownership of site.

How many parcels are there in the site? How many owners are there and what is the form of ownership? What is the condition of titles? What unusual factors might delay acquisition of the site?

6. Character of Population. (*Should the present neighborhood composition be maintained?*) Give authority for estimates.

(a) Population. Racial characteristics and density; trends in change in racial characteristics.

(b) Trends of increase or decrease in total population past 10 years.

(c) Trends in number and size of families.

7. Municipal Services. (*Are commitments between the municipal government and the Applicant necessary?*)

(a) Service subject to no special charge. (Sewer, water, police and fire protection, street maintenance, refuse collection, etc.).

(b) Services now provided for which a charge separate from ad valorem tax rate is made (water, sewer, etc.). Specify rates.

(c) Parks, playgrounds; give location and size of new facilities contemplated.

(d) What commitments by municipality now exist, and with what agencies? Submit copies of—

1. General resolution approving project and agreeing to cooperate.

2. Agreement to accept service charge.

3. Agreement to vacate streets where necessary.

4. Agreement to accept rededicated streets and maintain streets.

5. Agreement to provide and maintain utilities.

6. Agreement to provide fire and police protection.

7. Agreement to change zoning restrictions if necessary.

8. Agreement to collect refuse.

9. Agreement to maintain recreation areas, and provide supervision.

10. Agreement to provide adequate school facilities.

11. Agreement to maintain health clinics.

12. Agreement to assist in providing public transportation.

13. Agreement to waive building and inspection fees.

14. Does this proposed project meet with concurrence of planning bodies?

15. Is project consistent with building codes, or has an exception been granted?

C. Analysis of Proposed Improvements.

1. Site:

- (a) Boundaries.
 - (b) Streets and alleys to be vacated; give areas.
 - (c) Other areas to be donated.
 - (d) Purchased area.
 - (e) Total net area within property lines, sum of purchased plus area otherwise acquired.
 - (f) Gross area to center line of bounding streets.
2. Arrangement of Site:
- (a) Density of population, proposed versus existing.
 - (b) Coverage of land proposed.
 - (c) Orientation for prevailing winds.
 - (d) Orientation for sunlight.
 - (e) Creation of usable open spaces.
 - (f) Accessibility of structures from streets and service drives.
 - (g) Proportion of buildable area used for proposed streets.
 - (h) Relation of stores (where provided) to anticipated project population, and to tributary population.
 - (i) Economy of utility design.
 - (j) Landscape development.
3. Dwelling Units:
- (a) Room size, arrangement, and number.
 - (b) Size and distribution of dwelling units, and number.
 - (c) Equipment and utilities provided.
 - (d) Type of structural design.
 - (e) Method of heating and determining factors.
 - (f) Outline specifications.
4. Appurtenant Facilities in Structures, if any:
- (a) Social, recreational, and educational rooms.
 - (b) Storage space.
 - (c) Maintenance and repair facilities and space.
 - (d) Laundry facilities.
 - (e) Nursery school.
 - (f) Clinics.
 - (g) Management office.
 - (h) Community building.
 - (i) Stores.
 - (j) Garages and parking space.
5. Management:
- (a) Type and character of management contemplated.
6. Local Building Conditions:
- (a) Labor conditions and wage rates.
 - (b) Local building methods.
 - (c) Available local building materials.
 - (d) Transportation of imported materials.

- (e) Responsible local contractors and capacity.
- (f) Local building codes. Is the project consistent with all restrictions?
- (g) Local custom in building types and construction; what is recommended for new construction?
- (h) Sales taxes on materials.

7. Architects and Engineers:

Local architects and engineers available, their qualifications and indicated cooperation. Has the Applicant made any commitments, or accepted services gratuitously or on a contingent basis?

8. Expense of Operation:

- (a) Local prevailing wages and customs for building management.
- (b) Local standards of maintenance in same rent ranges as that of proposed projects. Repairs, redecorating, etc. Submit schedule of charges.
- (c) Local water rates.
- (d) Local utility rates.

APPENDIX C

1. GEORGE-HEALEY ACT

[PUBLIC—NO. 837—74TH CONGRESS]

[s. 3247]

AN ACT

To waive any exclusive jurisdiction over premises of Public Works Administration slum-clearance and low-cost housing projects, to authorize payments to States and political subdivisions in lieu of taxes on such premises, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the acquisition by the United States of any real property heretofore or hereafter acquired in connection with any low-cost housing, or slum-clearance project heretofore, or hereafter constructed with funds allotted to the Federal Emergency Administration of Public Works pursuant to title II of the National Industry Recovery Act, the Emergency Relief Appropriation Act of 1935, or any other law, shall not be held to deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or to impair the civil rights under the local law of the tenants or inhabitants on such property; and insofar as any such jurisdiction has been taken away from any such State or subdivision, or any such rights have been impaired, jurisdiction over any such property is hereby ceded back to such State or subdivision.

SEC. 2. Upon the request of any State or political subdivision in which any such project has been or will be constructed, the Federal Emergency Administrator of Public Works is authorized to enter into an agreement, and to consent to the renewal or alteration thereof, with such State or subdivisions for the payment by the United States of sums in lieu of taxes. Such sums shall be fixed in such agreement and shall be based upon the cost of the public or municipal services to be supplied for the benefit of such project or

the persons residing on or occupying such premises, but taking into consideration the benefits to be derived by such State or subdivision from such project.

SEC. 3. Such payments in lieu of taxes, and any other expenditures for operation and maintenance (including insurance) of any low-cost housing or slum-clearance project described in section 1, shall be made out of the receipts derived from the operation of such projects. To provide for such payments and expenditures the Federal Emergency Administrator of Public Works is authorized from time to time to retain out of such receipts such sums as he may estimate to be necessary for such purposes.

SEC. 4. (a) In the administration of any low-cost housing or slum-clearance project described in section 1, the Federal Emergency Administrator of Public Works shall fix the rentals at an amount at least sufficient to pay (1) all necessary and proper administrative expenses of the project; (2) such sums as will suffice to repay, within a period not exceeding sixty years, at least 55 per centum of the initial cost of the project, together with interest at such rate as he deems advisable.

(b) Dwelling accommodations in such low-cost housing or slum-clearance projects shall be available only to families who lack sufficient income, without the benefit of financial assistance, to enable them to live in decent, safe, and sanitary dwellings and under other than overcrowded housing conditions: *Provided*, That no family shall be accepted as a tenant in any such project whose aggregate income exceeds five times the rental of the quarters to be furnished such family. The term "rental" as used in this subsection includes the average cost (as determined by the Federal Emergency Administrator of Public Works) of heat, light, water, and cooking, where such services are not supplied by the lessor and included in the rent.

SEC. 5. In connection with any low-cost housing or slum-clearance project described in section 1, the Federal Emergency Administrator of Public Works, with the approval of the President, is authorized to dedicate streets, alleys, and parks for public use, and to grant easements.

Approved, June 29, 1936.

2. WAGNER-STEAGALL ACT

[*Corrected Print*]

[PUBLIC—NO. 412-75TH CONGRESS]

[CHAPTER 896—1ST SESSION]

[S. 1685]

AN ACT

To provide financial assistance to the States and political subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe, and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

DECLARATION OF POLICY

SECTION 1. It is hereby declared to be the policy of the United States to promote the general welfare of the Nation by employing its funds and credit, as provided in this Act, to assist the several States and their political subdivisions to alleviate present and recurring unemployment and to remedy the unsafe and insanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of low income, in rural or urban communities, that are injurious to the health, safety, and morals of the citizens of the Nation.

DEFINITIONS

SEC. 2. When used in this Act—

(1) The term “low-rent housing” means decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto. The dwellings in low-rent housing as defined in this Act shall be available solely for families whose net income at the time of admission does not exceed five times the rental (in

cluding the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one.

(2) The term "families of low income" means families who are in the lowest income group and who cannot afford to pay enough to cause private enterprise in their locality or metropolitan area to build an adequate supply of decent, safe, and sanitary dwellings for their use.

(3) The term "slum" means any area where dwellings predominate which, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light or sanitation facilities, or any combination of these factors, are detrimental to safety, health, or morals.

(4) The term "slum clearance" means the demolition and removal of buildings from any slum area.

(5) The term "development" means any or all undertakings necessary for planning, financing (including payment of carrying charges), land acquisition, demolition, construction, or equipment, in connection with a low-rent-housing or slum-clearance project, but not beyond the point of physical completion. Construction activity in connection with a low-rent-housing project may be confined to the reconstruction, remodeling, or repair of existing buildings.

(6) The term "administration" means any or all undertakings necessary for management, operation, maintenance, or financing, in connection with a low-rent-housing or slum-clearance project, subsequent to physical completion.

(7) The term "Federal project" means any project owned or administered by the Authority.

(8) The term "acquisition cost" means the amount prudently required to be expended by a public housing agency in acquiring a low-rent-housing or slum-clearance project.

(9) The term "non-dwelling facilities" shall include site development, improvements and facilities located outside building walls (including streets, sidewalks, and sanitary, utility, and other facilities).

Appendix C

(10) The term "going Federal rate of interest" means, at any time, the annual rate of interest specified in the then most recently issued bonds of the Federal Government having a maturity of ten years or more.

(11) The term "public housing agency" means any State, county, municipality, or other governmental entity or public body (excluding the Authority), which is authorized to engage in the development or administration of low-rent housing or slum clearance.

(12) The term "State" includes the States of the Union, the District of Columbia, and the Territories, dependencies, and possessions of the United States.

(13) The term "Authority" means the United States Housing Authority created by section 3 of this Act.

UNITED STATES HOUSING AUTHORITY

SEC. 3. (a) There is hereby created in the Department of the Interior and under the general supervision of the Secretary thereof a body corporate of perpetual duration to be known as the United States Housing Authority, which shall be an agency and instrumentality of the United States.

(b) The powers of the Authority shall be vested in and exercised by an Administrator, who shall be appointed by the President, by and with the advice and consent of the Senate. The Administrator shall serve for a term of five years and shall be removable by the President upon notice and hearing for neglect of duty or malfeasance but for no other cause.

(c) The Administrator shall receive a salary of \$10,000 a year, shall be eligible for reappointment, and shall not engage in any other business, vocation, or employment. Neither the Administrator nor any officer or employee of the Authority shall participate in any matter affecting his personal interests or the interest of any corporation, partnership, or association in which he is directly or indirectly interested.

SEC. 4. (a) The Administrator is authorized, subject to the civil-service laws and the Classification Act of 1923, as amended, to appoint and fix the compensation of such employees as may be

necessary for the proper performance of the duties of the Authority under this Act; except that without regard to the civil-service laws he may appoint such officers, attorneys and experts, and such employees whose compensation is in excess of \$1,980 per annum, as may be necessary to carry out the purposes of this Act.

(b) Appointment to positions made under the provisions of this Act the annual salary of which is in excess of \$7,500 per annum shall be subject to confirmation by the Senate.

(c) The Administrator may accept and utilize such voluntary and uncompensated services and with the consent of the agency concerned may utilize such officers, employees, equipment, and information of any agency of the Federal, State, or local governments as he finds helpful in the performance of the duties of the Authority. In connection with the utilization of such services, the Authority may make reasonable payments for necessary traveling and other expenses.

(d) The President may at any time in his discretion transfer to the Authority any right, interest, or title held by any department or agency of the Federal Government in any housing or slum-clearance projects (constructed or in process of construction on the date of enactment of this Act), any assets, contracts, records, libraries, research materials, and other property held in connection with any such housing or slum-clearance projects or activities, any unexpended balance of funds allocated to such department or agency for the development, administration, or assistance of any housing or slum-clearance projects or activities, and any employees who have been engaged in work connected with housing or slum clearance. The Authority may continue any or all activities undertaken in connection with projects so transferred, subject to the provisions of this Act.

SEC. 5. (a) The principal office of the Authority shall be in the District of Columbia, but it may establish branch offices or agencies in any State, and may exercise any of its powers at any place within the United States. The Authority may, by one or more of its officers or employees or by such agents or agencies as it may designate, conduct hearings or negotiations at any place.

(b) The Authority shall sue and be sued in its own name, and

Appendix C

shall be represented in all litigated matters by the Attorney General or such attorney or attorneys as he may designate.

(c) The Authority shall have an official seal, which shall be judicially noticed.

(d) The Authority shall be granted the free use of the mails in the same manner as the executive departments of the Government.

(e) The Authority, including but not limited to its franchise, capital, reserves, surplus, loans, income, assets, and property of any kind, shall be exempt from all taxation now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority. Obligations, including interest thereon, issued by public housing agencies in connection with low-rent-housing or slum-clearance projects, and the income derived by such agencies from such projects, shall be exempt from all taxation now or hereafter imposed by the United States.

SEC. 6. (a) The Authority may make such expenditures, subject to audit under the general law, for the acquisition and maintenance of adequate administrative agencies, offices, vehicles, furnishings, equipment, supplies, books, periodicals, printing and binding, for attendance at meetings, for any necessary traveling expenses within the United States, its Territories, dependencies, or possessions, and for such other expenses as may from time to time be found necessary for the proper administration of this Act. Such financial transactions of the Authority as the making of loans, annual contributions, and capital grants, and the acquisition, sale, exchange, lease, or other disposition of real and personal property, and vouchers approved by the Administrator in connection with such financial transactions, shall be final and conclusive upon all officers of the Government; except that all such financial transactions of the Authority shall be audited by the General Accounting Office at such times and in such manner as the Comptroller General of the United States may by regulation prescribe.

(b) The provisions of section 3709 of the Revised Statutes (U.S.C., 1934 ed., title 41, sec. 5) shall apply to all contracts of the Authority for services and to all of its purchases of supplies except when the aggregate amount involved is less than \$300.

(c) The use of funds made available for the purposes of this

Act shall be subject to the provisions of section 2 of title 3 of the Treasury and Post Office Appropriation Act for the fiscal year 1934 (47 Stat. 1489), and to make such provisions effective every contract or agreement of any kind pursuant to this Act shall contain a provision identical to the one prescribed in section 3 of title 3 of such Act.

(d) No annual contribution, grant, or loan, and no contract for any annual contribution, grant, or loan, under this Act, shall be undertaken by the Authority except with the approval of the President.

SEC. 7. (a) The Authority may publish and disseminate information pertinent to the various aspects of housing.

(b) In January of each year the Authority shall make an annual report to Congress of its operations and expenses, including loans, contributions, and grants made or contracted for, low-rent-housing and slum-clearance projects undertaken, and the assets and liabilities of the Authority. Such report shall include operating statements of all projects under the jurisdiction of or receiving the assistance of the Authority, including summaries of the incomes of occupants, sizes of families, rentals, and other related information.

SEC. 8. The Authority may from time to time make, amend, and rescind such rules and regulations as may be necessary to carry out the provisions of this Act.

LOANS FOR LOW-RENT-HOUSING AND SLUM-CLEARANCE PROJECTS

SEC. 9. The Authority may make loans to public-housing agencies to assist the development, acquisition, or administration of low-rent-housing or slum-clearance projects by such agencies. Where capital grants are made pursuant to section 11 the total amount of such loans outstanding on any one project and in which the Authority participates shall not exceed the development or acquisition cost of such project less all such capital grants, but in no event shall said loans exceed 90 per centum of such cost. In the case of annual contributions in assistance of low rentals as provided in section 10 the total of such loans outstanding on any one project and in which the Authority participates shall not exceed 90 per centum of the development or acquisition cost of such project.

Such loans shall bear interest at such rate not less than the going Federal rate at the time the loan is made, plus one-half of one per centum, shall be secured in such manner, and shall be repaid within such period not exceeding sixty years, as may be deemed advisable by the Authority.

ANNUAL CONTRIBUTIONS IN ASSISTANCE OF LOW RENTALS

SEC. 10. (a) The Authority may make annual contributions to public housing agencies to assist in achieving and maintaining the low-rent character of their housing projects. The annual contributions for any such project shall be fixed in uniform amounts, and shall be paid in such amounts over a fixed period of years. No part of such annual contributions by the Authority shall be made available for any project unless and until the State, city, county, or other political subdivision in which such project is situated shall contribute, in the form of cash or tax remissions, general or special, or tax exemptions, at least 20 per centum of the annual contributions herein provided. The Authority shall embody the provisions for such annual contributions in a contract guaranteeing their payment over such fixed period: *Provided*, That no annual contributions shall be made, and the Authority shall enter into no contract guaranteeing any annual contribution in connection with the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwellings provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

(b) Annual contributions shall be strictly limited to the amounts and periods necessary, in the determination of the Authority, to assure the low-rent character of the housing projects involved. Toward this end the Authority may prescribe regulations fixing

the maximum contributions available under different circumstances, giving consideration to cost, location, size, rent-paying ability of prospective tenants, or other factors bearing upon the amounts and periods of assistance needed to achieve and maintain low rentals. Such regulations may provide for rates of contribution based upon development, acquisition or administration cost, number of dwelling units, number of persons housed, or other appropriate factors: *Provided*, That the fixed contribution payable annually under any contract shall in no case exceed a sum equal to the annual yield, at the going Federal rate of interest at the time such contract is made plus 1 per centum, upon the development or acquisition cost of the low-rent housing or slum-clearance project involved: *And provided further*, That all such annual contributions shall be used first to apply toward any payment of interest or principal on any loan due to the Authority from the public housing agency.

(c) In case any contract for annual contributions is made for a period exceeding twenty years, the Authority shall reserve the right to reexamine the status of the low-rent-housing project involved at the end of ten years and every five years thereafter; and, at the time of any such reexamination, the Authority may make such modification (subject to all the provisions of this section) in the fixed and uniform amounts of subsequent annual contributions payable under such contract as is warranted by changed conditions and as is consistent with maintaining the low-rent character of the housing project involved. In no case shall any contract for annual contributions be made for a period exceeding sixty years.

(d) All payments of annual contributions pursuant to this section shall be made out of any funds available to the Authority when such payments are due, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such annual contributions.

(e) The Authority is authorized, on and after the date of the enactment of this Act, to enter into contracts which provide for annual contributions aggregating not more than \$5,000,000 per annum, on or after July 1, 1938, to enter into additional such con-

tracts which provide for annual contributions aggregating not more than \$7,500,000 per annum, and on or after July 1, 1939, to enter into additional such contracts which provide for annual contributions aggregating not more than \$7,500,000 per annum. Without further authorization from Congress, no new contracts for annual contributions beyond those herein authorized shall be entered into by the Authority. The faith of the United States is solemnly pledged to the payment of all annual contributions contracted for pursuant to this section, and there is hereby authorized to be appropriated in each fiscal year, out of any money in the Treasury not otherwise appropriated, the amounts necessary to provide for such payments.

CAPITAL GRANTS IN ASSISTANCE OF LOW RENTALS

SEC. 11. (a) As an alternative method of assistance to that provided in section 10, when any public housing agency so requests and demonstrates to the satisfaction of the Authority that such alternative method is better suited to the purpose of achieving and maintaining low rentals and to the other purposes of this Act, capital grants may be made to such agency for such purposes. The capital grants thus made for any low-rent-housing or slum-clearance project shall be paid in connection with its development or acquisition, and shall be strictly limited to the amounts necessary, in the determination of the Authority, to assure its low-rent character: *Provided, however,* That no capital grant shall be made for the development of any low-rent-housing or slum-clearance project involving the construction of new dwellings, unless the project includes the elimination by demolition, condemnation, and effective closing, or the compulsory repair or improvement of unsafe or insanitary dwellings situated in the locality or metropolitan area, substantially equal in number to the number of newly constructed dwelling units provided by the project; except that such elimination may, in the discretion of the Authority, be deferred in any locality or metropolitan area where the shortage of decent, safe, or sanitary housing available to families of low income is so acute as to force dangerous overcrowding of such families.

(b) Pursuant to subsection (a) of this section, the Authority may make a capital grant for any low-rent-housing or slum-clearance project, which shall in no case exceed 25 per centum of its development or acquisition cost.

(c) All payments of capital grants by the Authority pursuant to subsection (b) of this section shall be made out of any funds available to the Authority, except that its capital and its funds obtained through the issuance of obligations pursuant to section 20 (including repayments or other realizations of the principal of loans made out of such capital and funds) shall not be available for the payment of such capital grants.

(d) The Authority is authorized, on or after the date of the enactment of this Act to make capital grants (pursuant to subsection (b) of this section) aggregating not more than \$10,000,000, on or after July 1, 1938, to make additional capital grants aggregating not more than \$10,000,000, and on or after July 1, 1939, to make additional capital grants aggregating not more than \$10,000,000. Without further authorization from Congress, no capital grants beyond those herein authorized shall be made by the Authority.

(e) To supplement any capital grant made by the Authority in connection with the development of any low-rent-housing or slum-clearance project, the President may allocate to the Authority, from any funds available for the relief of unemployment, an additional capital grant to be expended for payment of labor used in such development: *Provided*, That such additional capital grant shall not exceed 15 per centum of the development cost of the low-rent-housing or slum-clearance project involved.

(f) No capital grant pursuant to this section shall be made for any low-rent-housing or slum-clearance project unless the public housing agency receiving such capital grant shall also receive, from the State, political subdivision thereof, or otherwise, a contribution for such project (in the form of cash, land, or the value, capitalized at the going Federal rate of interest, of community facilities or services for which a charge is usually made, or tax remissions or tax exemptions) in an amount not less than 20 per centum of its development or acquisition cost.

DISPOSAL OF FEDERAL PROJECTS

SEC. 12. (a) It is hereby declared to be the purpose of Congress to provide for the orderly disposal of any low-rent-housing projects hereafter transferred to or acquired by the Authority through the sale or leasing of such projects as hereinafter provided; and, in order to continue the relief of Nation-wide unemployment and in order to avoid waste pending such sale or lease, to provide for the completion and temporary administration of such projects by the Authority.

(b) As soon as practicable the Authority shall sell its Federal projects or divest itself of their management through leases.

(c) The Authority may sell a Federal project only to a public housing agency. Any such sale shall be for a consideration, in whatever form may be satisfactory to the Authority, equal at least to the amount which the Authority determines to be the fair value of the project for housing purposes of a low-rent character (making such adjustment as the Authority deems advisable for any annual contributions which may hereafter be given hereunder in aid of the project), less such allowance for depreciation as the Authority shall fix. Such project shall then become eligible for loans pursuant to section 9, and either annual contributions pursuant to section 10 or a capital grant pursuant to section 11. Any obligation of the purchaser accepted by the Authority as part of the consideration for the sale of such project shall be deemed a loan pursuant to section 9.

(d) The Authority may lease any Federal low-rent-housing project, in whole or in part, to a public housing agency. The lessee of any project, pursuant to this paragraph, shall assume and pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, and shall pay to the Authority such annual sums as the Authority shall determine are consistent with maintaining the low-rent character of such project. The provisions of section 321 of the Act of June 30, 1932 (U.S.C., 1934 edition, title 40, sec. 303 b), shall not apply to any lease pursuant to this Act.

(e) In the administration of any Federal low-rent-housing project pending sale or lease, the Authority shall fix the rentals at the

amounts necessary to pay all management, operation, and maintenance costs, together with payments, if any, in lieu of taxes, plus such additional amounts as the Authority shall determine are consistent with maintaining the low-rent character of such project.

GENERAL POWERS OF THE AUTHORITY

SEC. 13. (a) The Authority may foreclose on any property or commence any action to protect or enforce any right conferred upon it by any law, contract, or other agreement. The Authority may bid for and purchase at any foreclosure by any party or at any other sale, or otherwise acquire, and may administer, any low-rent-housing project which it previously owned or in connection with which it has made a loan pursuant to section 9, annual contributions pursuant to section 10, or capital grants pursuant to section 11.

(b) The acquisition by the Authority of any real property pursuant to this Act shall not deprive any State or political subdivision thereof of its civil and criminal jurisdiction in and over such property, or impair the civil rights under the State or local law of the inhabitants on such property; and, insofar as any such jurisdiction may have been taken away or any such rights impaired by reason of the acquisition of any property transferred to the Authority pursuant to section 4 (d), such jurisdiction and such rights are hereby fully restored.

(c) The Authority may enter into agreements to pay annual sums in lieu of taxes to any State or political subdivision thereof with respect to any real property owned by the Authority. The amount so paid for any year upon any such property shall not exceed the taxes that would be paid to the State or subdivision, as the case may be, upon such property if it were not exempt from taxation thereby.

(d) The Authority may procure insurance against any loss in connection with its property and other assets (including mortgages), in such amounts, and from such insurers, as it deems desirable.

(e) The Authority may sell or exchange at public or private sale, or lease, any real property (except low-rent-housing projects, the disposition of which is governed elsewhere in this Act) or per-

Appendix C

sonal property, and sell or exchange any securities or obligations, upon such terms as it may fix. The Authority may borrow on the security of any real or personal property owned by it, or on the security of the revenues to be derived therefrom, and may use the proceeds of such loans for the purposes of this Act.

SEC. 14. Subject to the specific limitations or standards in this Act governing the terms of sales, rentals, leases, loans, contracts for annual contributions, contracts for capital grants, or other agreements, the Authority may, whenever it deems it necessary or desirable in the fulfillment of the purposes of this Act, consent to the modification, with respect to rate of interest, time of payment of any installment of principal or interest, security, amount of annual contribution, or any other term, of any contract or agreement of any kind to which the Authority is a party or which has been transferred to it pursuant to this Act. Any rule of law contrary to this provision shall be deemed inapplicable.

SEC. 15. In order to insure that the low-rent character of housing projects will be preserved, and that the other purposes of this Act will be achieved, it is hereby provided that—

(1) When a loan is made pursuant to section 9 for a low-rent-housing project the Authority may retain the right, in the event of a substantial breach of the condition (which shall be embodied in the loan agreement) providing for the maintenance of the low-rent character of the housing project involved or in the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a rate not in excess of the going Federal rate (at the time of such breach or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(2) When a loan is made pursuant to section 9 for a slum-clearance project the Authority shall retain the right, in the event of the leasing or acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, to increase the interest payable thereafter on the balance of said loan then held by the Authority to a

rate not in excess of the going Federal rate (at the time of such leasing or acquisition) plus 2 per centum per annum or to declare the unpaid principal on said loan due forthwith.

(3) When a contract for annual contributions is made pursuant to section 10, the Authority shall retain the right, in the event of a substantial breach of the condition (which shall be embodied in such contract) providing for the maintenance of the low-rent character of the housing project involved, to reduce or terminate the annual contributions payable under such contract. In the event of the acquisition of such project by a third party in any manner including a bona-fide foreclosure under a mortgage or other lien held by a third party, such annual contributions shall terminate.

(4) The Authority may also insert in any contract for loans, annual contributions, capital grants, sale, lease, mortgage, or any other agreement or instrument made pursuant to this Act, such other covenants, conditions, or provisions as it may deem necessary in order to insure the low-rent character of the housing project involved: *Provided*, That any such contract for a substantial loan may contain a condition requiring the maintenance of an open space or playground in connection with the housing project involved if deemed necessary by the Authority for the safety or health of children.

(5) No contract for any loan, annual contribution, or capital grant made pursuant to this Act shall be entered into by the Authority with respect to any project hereafter initiated costing more than \$4,000 per family-dwelling-unit or more than \$1,000 per room (excluding land, demolition, and non-dwelling facilities); except that in any city the population of which exceeds 500,000 any such contract may be entered into with respect to a project hereafter initiated costing not to exceed \$5,000 per family-dwelling-unit or not to exceed \$1,250 per room (excluding land, demolition, and non-dwelling facilities), if in the opinion of the Authority such higher family-dwelling-unit cost or cost per room is justified by reason of higher costs of labor and materials and other construction costs. With respect to housing projects on which construction is hereafter initiated, the Authority shall make loans, grants, and annual contributions only for such low-rent-housing projects as it

finds are to be undertaken in such a manner (a) that such projects will not be of elaborate or expensive design or materials, and economy will be promoted both in construction and administration, and (b) that the average construction cost of the dwelling units (excluding land, demolition, and non-dwelling facilities) in any such project is not greater than the average construction cost of dwelling units currently produced by private enterprise, in the locality or metropolitan area concerned, under the legal building requirements applicable to the proposed site, and under labor standards not lower than those prescribed in this Act.

SEC. 16. In order to protect labor standards—

(1) The provisions of the Act of August 30, 1935, entitled "An Act to amend the Act approved March 3, 1931, relating to the rate of wages for laborers and mechanics employed by contractors and subcontractors on public buildings" (49 Stat. 1011), and of the Act of August 24, 1935, entitled "An Act requiring contracts for the construction, alteration, and repair of any public building or public work of the United States to be accompanied by a performance bond protecting the United States and by an additional bond for the protection of persons furnishing material and labor for the construction, alteration, or repair of said public buildings or public work" (U.S.C., 1934 edition, Supp. II, title 40, secs. 270a to 270d, inclusive), shall apply to contracts in connection with the development or administration of Federal projects and the furnishing of materials and labor for such projects: *Provided*, That suits shall be brought in the name of the Authority and that the Authority shall itself perform the duties prescribed by section 3 (a) of the Act of August 30, 1935, and section 3 of the Act of August 24, 1935.

(2) Any contract for loans, annual contributions, capital grants, sale, or lease pursuant to this Act shall contain a provision requiring that the wages or fees prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Authority, shall be paid to all architects, technical engineers, draftsmen, technicians, laborers, and mechanics employed in the development or administration of the low-rent housing or slum-clearance project involved; and the Authority may re-

quire certification as to compliance with the provisions of this paragraph prior to making any payment under such contract.

(3) The Act entitled "An Act limiting the hours of daily services of laborers and mechanics employed upon work done for the United States, or for any Territory, or for the District of Columbia, and for other purposes", as amended (37 Stat. 137), shall apply to contracts of the Authority for work in connection with the development and administration of Federal projects.

(4) The benefits of the Act entitled "An Act to provide compensation for employees of United States suffering injuries while in the performance of their duties, and for other purposes" (39 Stat. 742), shall extend to officers and employees of the Authority.

(5) The provisions of sections 1 and 2 of the Act of June 13, 1934 (U.S.C., 1934 edition, title 40, secs. 276b and 276c), shall apply to any low-rent-housing or slum-clearance project financed in whole or in part with funds made available pursuant to this Act.

(6) Any contractor engaged on any project financed in whole or in part with funds made available pursuant to this Act shall report monthly to the Secretary of Labor, and shall cause all subcontractors to report in like manner (within five days after the close of each calendar month, on forms to be furnished by the United States Department of Labor), as to the number of persons on their respective pay rolls on the particular project, the aggregate amount of such pay rolls, the total man-hours worked, and itemized expenditures for materials. Any such contractor shall furnish to the Department of Labor the names and addresses of all subcontractors on the work at the earliest date practicable.

FINANCIAL PROVISIONS

SEC. 17. The Authority shall have a capital stock of \$1,000,000, which shall be subscribed by the United States and paid by the Secretary of the Treasury out of any available funds. Receipts for such payment shall be issued to the Secretary of the Treasury by the Authority and shall evidence the stock ownership of the United States of America.

SEC. 18. There is hereby authorized to be appropriated, out of

any money in the Treasury not otherwise appropriated, the sum of \$26,000,000 for the fiscal year ending June 30, 1938, of which \$1,000,000 shall be available to pay the subscription to the capital stock of the Authority. Such sum, and all receipts and assets of the Authority, shall be available for the purposes of this Act until expended.

SEC. 19. Any funds available under any Act of Congress for allocation for housing or slum clearance may, in the discretion of the President, be allocated to the Authority for the purposes of this Act.

SEC. 20. (a) The Authority is authorized to issue obligations, in the form of notes, bonds, or otherwise, which it may sell to obtain funds for the purposes of this Act. The Authority may issue such obligations in an amount not to exceed \$100,000,000 on or after the date of enactment of this Act, an additional amount not to exceed \$200,000,000 on or after July 1, 1938, and an additional amount not to exceed \$200,000,000 on or after July 1, 1939. Such obligations shall be in such forms and denominations, mature within such periods not exceeding sixty years from date of issue, bear such rates of interest not exceeding 4 per centum per annum, be subject to such terms and conditions, and be issued in such manner and sold at such prices as may be prescribed by the Authority, with the approval of the Secretary of the Treasury.

(b) Such obligations shall be exempt, both as to principal and interest, from all taxation (except surtaxes, estate, inheritance, and gift taxes) now or hereafter imposed by the United States or by any State, county, municipality, or local taxing authority.

(c) Such obligations shall be fully and unconditionally guaranteed upon their face by the United States as to the payment of both interest and principal, and, in the event that the Authority shall be unable to make any such payment upon demand when due, payments shall be made to the holder by the Secretary of the Treasury with money hereby authorized to be appropriated for such purpose out of any money in the Treasury not otherwise appropriated. To the extent of such payment the Secretary of the Treasury shall succeed to all the rights of the holder.

(d) Such obligations shall be lawful investments and may be

accepted as security for all fiduciary, trust, and public funds the investment or deposit of which shall be under the authority or control of the United States or any officer or agency thereof. The Secretary of the Treasury is likewise authorized to purchase any such obligations, and for such purchases he may use as a public-debt transaction the proceeds from the sale of any securities hereafter issued under the Second Liberty Bond Act, as amended, and the purposes for which securities may be issued under such Act, as amended, are extended to include any such purchases. The Secretary of the Treasury may at any time sell any of the obligations acquired by him pursuant to this section, and all redemptions, purchases, and sales by him of such obligations shall be treated as public-debt transactions of the United States.

(e) Such obligations may be marketed for the Authority at its request by the Secretary of the Treasury, utilizing all the facilities of the Treasury Department now authorized by law for the marketing of obligations of the United States.

SEC. 21. (a) Any money of the Authority not otherwise employed may be deposited, subject to check, with the Treasurer of the United States or in any Federal Reserve bank, or may be invested in obligations of the United States or used in the purchase or retirement or redemption of any obligations issued by the Authority.

(b) The Federal Reserve banks are authorized and directed to act as depositories, custodians, and fiscal agents for the Authority in the general exercise of its powers, and the Authority may reimburse any such bank for its services in such manner as may be agreed upon.

(c) The Authority may be employed as a financial agent of the Government. When designated by the Secretary of the Treasury, and subject to such regulations as he may prescribe, the Authority shall be a depository of public money, except receipts from customs.

(d) Not more than 10 per centum of the funds provided for in this Act, either in the form of a loan, grant, or annual contribution, shall be expended within any one State.

PENALTIES

SEC. 22. All general penal statutes relating to the larceny, embezzlement, or conversion or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the Authority and to moneys and properties of the United States entrusted to the Authority.

SEC. 23. Any person who, with intent to defraud the Authority or to deceive any director, officer, or employee thereof or any officer or employee of the United States, makes any false entry in any book of the Authority or make any false report or statement to or for the Authority shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 24. Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the Authority or with intent unlawfully to defeat its purposes, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 25. Any person who induces or influences the Authority to purchase or acquire any property or to enter into any contract and willfully fails to disclose any interest, legal or equitable, which he has in such property or in the property to which such contract relates, or any special benefit which he expects to receive as a result of such contract, shall, upon conviction thereof, be fined not more than \$1,000 or imprisoned for not more than one year, or both.

SEC. 26. No individual, association, partnership, or corporation shall use the words "United States Housing Authority," or any combination of these four words, as the name, or part thereof, under which he or it shall do business. Any such use shall constitute a misdemeanor and shall be punishable by a fine not exceeding \$1,000.

SEC. 27. Wherever the application of the provisions of this Act conflicts with the application of the provisions of Public Numbered 837, approved June 29, 1936 (49 Stat. 2025), Public Numbered 845, approved June 29, 1936 (49 Stat. 2035), or any other

Act of the United States dealing with housing or slum clearance, or any Executive order, regulation, or other order thereunder, the provisions of this Act shall prevail.

SEC. 28. The President is hereby authorized to make available to The Alley Dwelling Authority, from any funds appropriated or otherwise provided to carry out the purposes of this Act, such sums as he deems necessary to carry out the purposes of the District of Columbia Alley Dwelling Act, approved June 12, 1934 (Public Numbered 307, Seventy-third Congress). Such sums shall be deposited in the Conversion of Inhabited Alleys Fund and thereafter shall remain immediately available for the purposes of the District of Columbia Alley Dwelling Act.

SEC. 29. Notwithstanding any other evidences of the intention of Congress, it is hereby declared to be the controlling intent of Congress that if any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

SEC. 30. This Act may be cited as the "United States Housing Act of 1937."

Approved, September 1, 1937.

